CITY OF CORINTH

FOR FISCAL YEAR ENDED SEPTEMBER 30, 2021

ANNUAL COMPREHENSIVE FINANCIAL REPORT

THIS IS ONLY THE BEGINNING

CITY OF CORINTH, TX

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended September 30, 2021

Bob Hart
City Manager

Department of
Finance & Administrative Services

Lee Ann Bunselmeyer
Director of Finance, Communication & Strategic Services

Becky Buck, CPA
Comptroller

CITY OF CORINTH, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2021

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INTRODUCTORY SECTION

CORINTH
TEXAS

CORINTH
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3300 Corinth Parkway · Corinth, TX · 940.498.3200

March 17, 2022

Honorable Mayor,
Members of the City Council
and Citizens
City of Corinth, Texas

The City Manager and the Finance Division of the City of Corinth are pleased to submit the Annual Comprehensive Financial Report of the City of Corinth for the fiscal year ended September 30, 2021. The purpose of this report is to provide the council, staff, the citizens of Corinth and other interested parties with detailed information reflecting the City's financial condition.

This report satisfies §103.001 of the Texas Local Government Code and was conducted in accordance with Section 9.12 of the City Charter. The Annual Comprehensive Financial Report (ACFR) consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The ACFR is organized into three sections: *Introductory, Financial* and *Statistical*. The *Introductory* section includes this transmittal letter, the City's organization chart, and a list of principal officials. The *Financial* section includes the auditors' report, Management's Discussion and Analysis (MD&A), basic financial statements, required supplementary information, combining and individual fund financial statements and other supplemental information. The *Statistical* section includes selected financial and demographic information, generally presented on a multi-year basis. The information is presented in table format to assist the reader with a comparative analysis.

Management's Discussion and Analysis (MD&A) provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Corinth's MD&A can be found immediately following the report of the independent auditors.

INDEPENDENT AUDIT

The City of Corinth's financial statements have been audited by Eide Bailly, LLP, a firm of licensed certified public accountants. The goal of the independent auditor is to provide reasonable assurance that the financial statements of the City of Corinth, for the fiscal year ended September 30, 2021, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Corinth's financial statements for the fiscal year ending September 30, 2021, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component in the financial section of this annual report.

PROFILE OF THE GOVERNMENT

The City of Corinth, which was incorporated in September 19, 1960, is located in the north central portion of Texas. This area of the state has proven to be one of the top growth areas in Texas and the United States. The City currently occupies a land area of 7.8 square miles. The City is empowered to levy a property tax on real property and certain personal property located within its boundaries. Corinth has operated under the council-manager form of government since May 6, 1999. This has become a popular form of government throughout the State of Texas. Policy-making and legislative authority are vested in the City Council consisting of the mayor and five other members. The City Council's primary responsibilities include passing ordinances, adopting the budget, appointing boards and committees, and hiring both the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, overseeing the day-to-day operations of the government, and for appointing the heads of the various City departments. The City Council is elected on a non-partisan, at-large basis. Council members serve two-year staggered terms, with three members elected on one of the two-year rotations, and the Mayor and two remaining members elected on the other two-year rotation.

The City of Corinth provides a full range of municipal services including general government, public safety (police, animal control, fire, and EMS), streets, parks and recreation, planning and zoning, code enforcement, and water/wastewater and drainage utilities. Water/wastewater and drainage services are provided through the public works department, which functions, in essence, as a department of the City and, therefore, has been included as an integral part of the City's financial statements.

Moving forward, the City seeks to reduce its dependence on property tax revenues and increase the amount of sales and use tax revenues generated --- in a prudent manner --- by encouraging lifestyle-focused development that will create meaningful employment opportunities in live-work-play settings, offer extraordinary opportunities for commerce and result in sustainable outcomes.

As Corinth continues to pioneer a new trail and secure its vision for the future, its values will remain rooted in its family-oriented traditions, and its commitment will also remain anchored by achieving the highest quality of life possible for all its citizens.

LOCAL ECONOMY

Corinth's location, straddling the I35E corridor in Denton County, is ideal for both businesses and residents many of whom commute north to Denton or south to Lewisville or Dallas. Corinth maintains a small-town feel while having the advantages of nearby metro areas.

Corinth is competitively positioned to attract investment well into the future. Renowned real estate developers, including Realty Capital Management and Wolverine Interests, are excited at the prospect of introducing lifestyle-oriented developments to the Corinth market. Realty Capital Management is anticipated to break ground on Parkway at the District, a trend-setting mixed-use community that will positively transform the southwest corner of Interstate Highway 35E and Corinth Parkway in Spring 2022. The development program

calls for the construction of up to 352 residential units, at least 24,500 square feet of commercial space, a boutique hotel with at least 80 rooms, and a linear parkway of formal open space that will become an icon for the development and the Corinth community. Wolverine Interests is working closely with the city to bring another exciting mixed-use community to Corinth's urban core --- Agora. Defining the boundaries of a forthcoming signature community open space --- the Commons at Agora --- Wolverine Interests will bring an exciting mixed-use community to life which will have ground floor commercial opportunities with residential units above.

Other developers are also noticing the vast promise and potential of the Corinth market. Skorburg Company started construction on a single-family residential community to the northeast of Agora; and Meritage Homes is on pace to deliver up to 455 single-family residential units in the forthcoming Ashford Park at the completion of construction.

New restaurants like Bella Maca, Bones and Burritos and Mays Eats are enhancing Corinth's dining scene; while Apricus, a recently opened wedding and entertainment venue, offer upscale space for a wide variety of events and activities. Businesses are certainly tapping into the distinct energy radiating from Agora --- and are eagerly anticipating the construction and completion of a future commuter rail station and the Commons at Agora.

The city's estimated population is 23,508. This estimate is based on the official 2020 Census population.

The unemployment rate in Texas rose to 4.4% in September 2021 after dipping from the highest of 12.4% in April 2020 with the peak of COVID 19. The impact of the coronavirus recession varies widely across Texas. Denton County unemployment rate was 4.5% compared to Dallas County's unemployment rate of 4.8%, and the nation's rate at 4.8%.

Corinth continues to rely heavily on property tax to support its continuing operations, with the City being approximately 85% residential. Certified property values increased 5.07% for the 2021 tax year over the 2020 certified value.

Sales Tax Revenue, the second largest revenue source for the City's General Fund, increased by $172,553 or 9.7% over the prior year's receipts. For fiscal year 2021-22 sales tax revenue is projected at $1.8 million. Primarily a residential community, Corinth relies on sales tax paid on utilities. All sales tax collections are reported by the Texas Comptroller of Public Accounts. The City is continuing to work to increase its sales tax base with the Corinth Economic Development Corporation, which receives the proceeds from a ½ cent sales tax enacted in 2003. Corinth is currently focused on encouraging commercial development and providing the infrastructure required to support it. Of the 8.25% tax, the State retains 6.25%. It distributes 1% to the City of Corinth, .25% to the Crime Control & Prevention District, .50% to the Economic Development Corporation, and .25% to the Fire Control, Prevention and Emergency Services District. The City held an election in November 2020 to shift 1/2 cent sales tax from the Street Maintenance Sales Tax to the fire district. The tax became effective April 1, 2021.

MAJOR INITIATIVES

The City's Strategic Plan, Envision Corinth 2030, is an all-encompassing systematic approach that permits the current and future Councils ability to best allocate resources entrusted by the residents. The plan is set to guide the City in determining where to focus the efforts of the City and form the basis of the annual budgeting process. It provides for investments in economic development, mobility, the transit-oriented development (TOD) district, infrastructure, quality development, regional cooperation, broadband, employees, and recognizes that partnerships are essential to excellent service delivery. Additionally, the plan provides the ability to prioritize the actions that have to be taken in order to meet the overall goals that the City needs to fulfill in order to generate the results that the residents of Corinth expect and deserve.

Broadband is a priority for Corinth and the Lake Cities. Based on the recommendation of the Lake Cities Broadband Committee, the Cities of Corinth, Lake Dallas, Shady Shores, and Hickory Creek contracted

Connected Nation to perform a Broadband study. Connected Nation is an organization that specializes in assisting communities in developing and providing the tools, resources, and methods that help create and implement solutions to their broadband and digital technology gaps.

The four cities are poised to secure a private provider and enter into a public-private partnership to improve broadband services in the lake cities. This phase includes assistance from Mighty Rivers, LLC, and Marketplace City. The planned effort continues the funding through the Broadband Utility Fund and will use American Rescue Plan Grant funding.

Cybersecurity continues to be a major concern and priority. The City completed a cybersecurity evaluation to ensure proper controls in 2019. During 2020, Staff implemented improvements identified in the plan. As a result the city is fully compliant with the elements set forth in HB 3834 – Cybersecurity Training and the training requirements emanating from the Texas Department of Information Resources. Staff will continue participation with the North Texas Innovation Alliance as the foundational effort for a wide-ranging effort to implement smart cities strategies.

Economic Development. Encouraging development along the I-35E Corridor has been expressed in every future development discussion and format. The core economic development strategies funded in the budget are for the implementation of a Tax Increment Reinvestment Zone. The principal focus will be to secure a DCTA rail stop. Consequently, land acquisition to facilitate the TOD will be paramount, including land along Corinth Parkway, stormwater property within Lynchburg Creek, and the surplus TxDOT right-of-way at Corinth Parkway and I-35E. Such an effort would enable North Central Texas College (NCTC) to move students between the Denton and Lewisville campuses. Moreover, the proposed rail stop may assist Texas Health Resources (THR) in converting their property to office space. Other development to encourage a coordinated planning effort could include the CoServ properties, the Millennium development, and other vacant/under-utilized properties in the general area. The initial development within the TIRZ will be mixed-use and in partnership with Realty Capital Management, LLC.

Tax Increment Reinvestment Zone (TIRZ). The City Council adopted an ordinance creating a Tax Increment Reinvestment Zone in September 2019. The project plan is based on land use recommendations by Paris Rutherford (Catalyst Development) and a financial plan (designed by David Pettit Economic Development, LLC). The TIRZ is intended to fund the following initial infrastructure projects, within the TOD:

DCTA rail stop study
North Corinth Street realignment
Construction of NCTC Way
Main Street construction
Pavilion and park open space
Festival Way
Lynchburg Drainage

A significant feature of the plan is constructing a community gathering place or The Commons Park as a "square." The Park will contain a pavilion, open space, playground, and boardwalk. Funding for a portion of the pavilion and operations will be through a short-term vehicle rental tax approved by the voters in May 2021. The remaining operational funding required will be through the EDC.

2040 Comprehensive Plan, adopted in July 2020, is a product of the community's vision and establishes the priorities and goals for future growth and guides zoning and land use decisions. The primary focus of the plan is the development of the Transit Oriented Development area.

Staff will pursue improvements to the City's development regulations with the guidance of the Planning and Zoning Commission and City Council. Planning & Development anticipates the creation of a Form Based Zoning District for the TOD areas. Staff will continue to build upon the Applicant/City relationship to provide quick and predictable development reviews and processing for timely market delivery.

Developers are currently targeting Corinth for development opportunities; with eight square miles, and vacant land along the critical I-35E corridor, the City must be ready. Further, staff has identified six tracts that will be a challenge to develop. Staff will work with landowners to identify land uses and strategies that will enable the land to be developed. All the sites are along or near I-35.

Asset Management Plan (AMP). Infrastructure is inextricably linked to the economic, social and environmental advancement of a community. In 2020, Corinth developed an Asset Management Plan (AMP) of the following asset classes: road system, bridges & culverts, buildings, storm water system, water system, wastewater system, machinery & equipment and vehicles. The asset classes analyzed in the plan had a valuation of over $618 million, of which the water system comprised of 35%. Strategic asset management is critical in extracting the highest total value from public assets at the lowest lifecycle cost. The AMP created a detail plan of the state of infrastructure and provided asset management and financial strategies designed to develop an advanced asset management program and mitigate long-term funding gaps.

The City has $700 million invested in public assets –streets, utility lines, buildings, and equipment. Many of these assets were built in the 1980s and 90s with a life cycle of 40 to 50 years. During this fiscal year, the AMP is partially incorporated into the Capital Improvement Plan.

Infrastructure Development: The focus on infrastructure falls into seven areas: transportation, water, water conservation, wastewater, stormwater, park improvements (The Commons), and asset management.

Transportation: The alignment of Lake Sharon Drive and Dobbs Road with access under I-35E is needed for economic development opportunities and improve traffic flow within Corinth and the region. While the bridge is included in TXDOT's Phase II Improvements to I-35E, the city needs to align the two connecting roads to connect to the future underpass, thereby completing the Corinth Parkway Loop. The TxDOT project is authorized for design, and they are currently securing right-of-way. The city will also participate in a joint effort between Corinth, Shady Shores, and Lake Dallas to extend Dobbs Road from Shady Shores Road to Corinth Parkway. This extension will enable traffic to move from Shady Shores Road to FM 2499. Denton County is planning a transportation bond program in November 2022. The city will want to advocate for reconstructing West Shady Shores Road from Post Oak to North Garza Road. The effort will involve Corinth, Shady Shores, and Denton.

The Transit-Oriented Development (TOD) will require transportation improvements, including the realignment of North Corinth Street from Walton Street to Corinth Parkway, the construction of Main Street from Walton Street to Corinth Parkway, the construction of NCTC Way connecting the NCTC campus to I-35E, and the construction of Agora Way connecting North Corinth Street and Main Street.

Water: The city has secured a site along Lake Sharon Street alignment near IH-35E for a future elevated water tank. The water storage tank is expected to be built by 2026. American Rescue Plan (ARP) grant funds will be used to acquire backup power generators to the two water pump stations.

Water Conservation: Efforts will continue reducing water irrigation during the summer months. Such an effort is essential to staying within the existing water supply contract with a target to keep the summer peak to 2.5 times or less to the winter average.

Wastewater: The Barrel Strap St. wastewater lift station will be upgraded during the year. Because of the inflow and infiltration into the wastewater line under apportion of the Oakmont Country Club will be replaced.

Stormwater: Lynchburg Creek is a significant drainage feature in Corinth that feeds into Lake Lewisville; much of the drainage area is undeveloped. With the remapping by FEMA, 65 homes have been added to the floodplain. Jones Carter Engineering firm conducted a drainage study in 2018 and identified measures to mitigate the impact of the floodplain to remove some 70 homes from the floodplain. A FEMA grant (approximately $2.9 million) has been approved and is currently in environmental review.

LONG TERM FINANCIAL PLAN

The FY 2021-22 budget was developed in context of long-term financial plans. The plans anticipate funding needs and available revenues and forecast methods for matching future revenue and expenses. Plans have been developed for all the City's major operating funds. Each plan presents the fund over seven fiscal years: two previous years, the adopted "base year" budget and four projected years. There are several benefits to these plans. First, the plans give future Councils a valuable perspective when considering budgets within each plan's five-year horizon. Second, the plans impart a measure of discipline on staff. The General fund long-term plan assumes that for fiscal years 2021-2023 the City's property tax, sales tax, and all other revenues during the planning horizon will remain constant with conservative growth from 0% - 3%.

The City of Corinth continues its focus on maintaining or increasing reserve balances for emergencies to provide stability and flexibility for the organization. The reserve requirement was established at a level of 20% of budgeted expenditures for the General Fund and 25% of budgeted expenditures for both the Water/ Wastewater and the Storm Drainage Fund. For fiscal year ended September 30, 2021, the General Fund's unassigned fund balance is $4,333,241 or 18.47% of annual budgeted expenditures. The city utilized reserves in FY21 to purchase undeveloped land to bring an exciting mixed-use community to Corinth's urban core. The fund balance for FY21 dropped below the 20% policy target, but above the 15% minimum target. The city is in contract discussions with numerous developers on the property and is expected to sell the undeveloped land in FY22. The unrestricted fund balance for the Water/Wastewater Fund is $6,470,185 or 43.62% of annual budgeted expenditures and the unrestricted fund balance for the Storm Drainage Fund is $747,347 or 100.00% of budgeted expenditures for the fiscal year ended September 30, 2021.

As a result of the recent national economic recession, bond rating agencies have increased their scrutiny on the financial stability of local governments. In October 2021, Standard & Poor's Rating Services affirmed its "AA" rating and Moody's affirmed its "AA2 on the City's general obligation debt. The rating agency attributed their opinion to various factors surrounding the city's financial stability, growth and financial policies and practices.

BUDGETARY CONTROLS

The annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by the City Manager and adopted by the City Council in accordance with policies and procedures established by State law, City Charter, and Council Ordinances. All departments of the City of Corinth are required to submit requests for appropriation to the City Manager based on a budget calendar issued annually. The City Manager uses these requests as the starting point for developing the proposed budget. The proposed budget is then presented to the City Council for review prior to approval and adoption. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 30, the close of the City's fiscal year. The appropriated budget is prepared by fund, department (i.e., Public Works) and division (i.e., Parks & Recreation). Department Directors may make transfers of appropriations between divisions within a department. All transfers of appropriations between departments require the approval of the City Manager. Any changes to appropriations or transfers between funds require City Council approval. Budgetary comparison schedules are provided in this report in the required supplemental information subsection for the General Fund, and in the supplemental information subsection for other funds with legally adopted annual budgets.

CASH MANAGEMENT POLICIES AND PRACTICES

Funds of the City are invested in accordance with all applicable Texas statutes, the City's Investment Policy and any other approved, written administrative procedures. The five objectives of the City's investment activities, in order of priority, are as follows: Safety –Preservation and Safety of Principal, Liquidity, Diversification, Market Rate-of-Return (Yield) and Public Trust.

The Investment Policy is updated, reviewed and approved annually. The purpose of the Investment Policy is to set forth specific investment strategy guidelines for the City, in order to safeguard assets with a minimal

amount of risk, while maintaining the necessary level of liquidity and maximizing the yield on investments. Accordingly, all the City's deposits are either insured by the Federal Deposit Insurance Corporation (FDIC) or are collateralized by governmental securities. The maturities of the investments range from 30 days to 36 months, with an average maturity of approximately 229 days. On September 30, 2021, the annualized yield on investments was 0.246%, compared to 0.356% for the same period in 2020. Funds available for investment at September 30, 2021 were $56.8 million.

AWARDS AND ACKNOWLEDGEMENTS

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Corinth for its annual comprehensive financial report for the fiscal year ended September 30, 2020. This was the twelfth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of only one year. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated October 1, 2020. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document must be proficient in several categories; including serving as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance department. We would like to express our appreciation for the assistance provided by our auditors, Eide Bailly, LLP. Credit must also be given to the Mayor and City Council for their unfailing support in maintaining the highest standards of professionalism in the management of the City of Corinth and its finances.

Respectfully Submitted,

Bob Hart
City Manager

Lee Ann Bunselmeyer
Director of Finance, Communication & Strategic Services

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Corinth
Texas

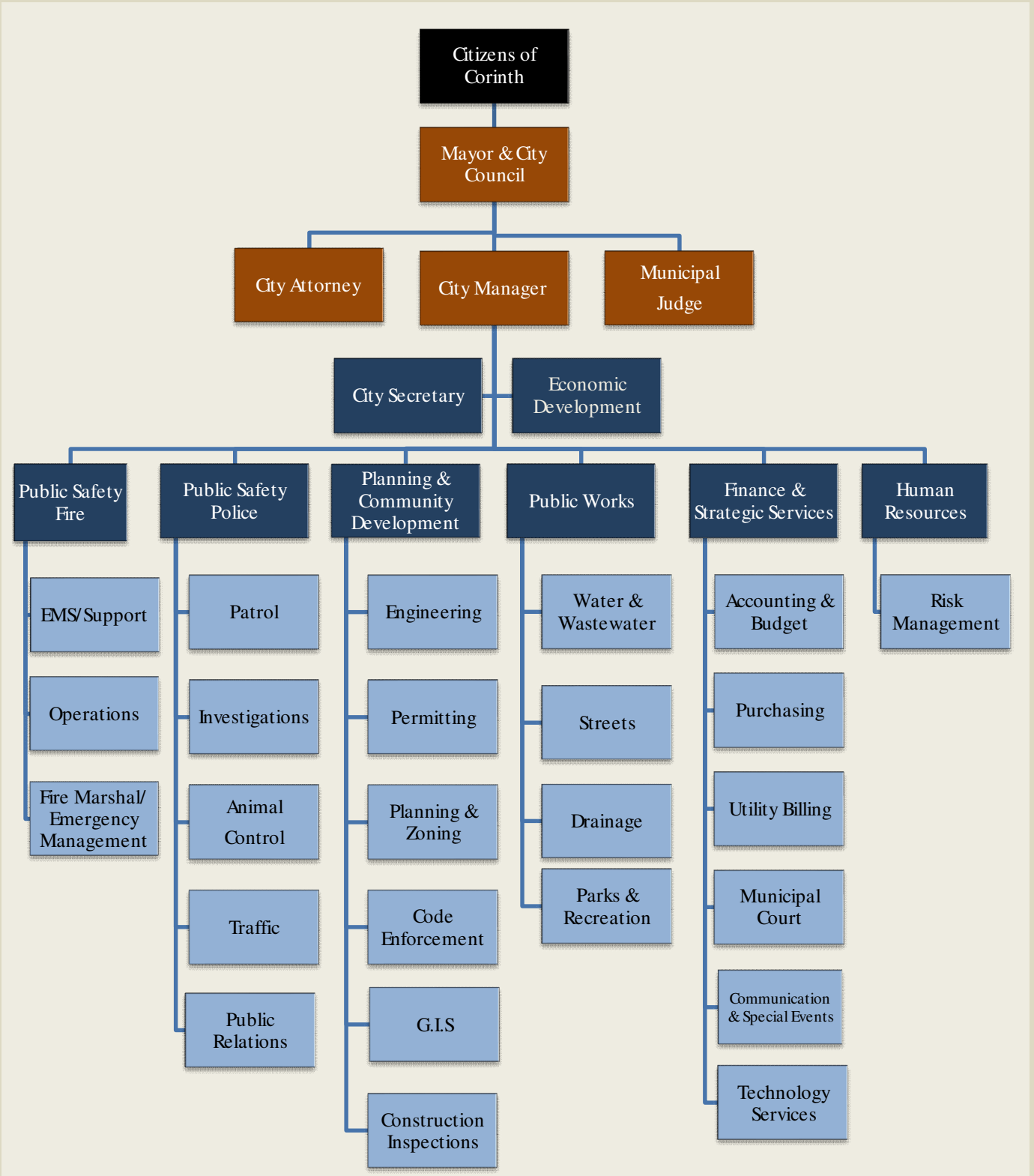
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morrill

Executive Director/CEO

ORGANIZATIONAL CHART



City of Corinth, Texas
Elected and Appointed Officials

Elected Officials:

Bill Heidemann
Mayor

Sam Burke
Mayor Pro Tem, Place I

Scott Garber
Council Place II

Steve Holzwarth
Council Place III

Tina Henderson
Council Place IV

Kelly Pickens
Council Place V

Appointed Officials:

Bob Hart, City Manager

Lana Wylie, City Secretary

Elise Back, Director of Economic Development

Jerry Garner, Chief of Police

Lee Ann Bunselmeyer, Director of Finance, Communication and Strategic Services

Glenn Barker, Director of Public Works, Parks and Recreation, and Utility Operations

John Webb, Director of Planning and Development

Michael Ross, Fire Chief

Guadalupe Ruiz, Director of Human Resources

FINANCIAL SECTION

CORINTH
TEXAS

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To the Mayor and
Members of the City Council
City of Corinth, Texas

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Corinth, Texas (the City) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Corinth, Texas as of September 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Ede Bailly LLP

Abilene, Texas
February 9, 2022

As management of the City of Corinth, (the "City") we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2021. The Management's Discussion and Analysis is designed to assist the reader in focusing on significant financial issues, to provide an overview of the City 's financial activity, to identify changes in the City's financial position and to identify any material deviations from the financial plan. We encourage readers to consider the information presented here in conjunction with the accompanying Letter of Transmittal and the basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $72,785,192.
- Total net position increased $93,061 from the prior year.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $39,577,983, an increase of $10,289,860 in comparison with the prior year. This net increase is primarily due to the issuance of bonds in the amount of $14,000,000 and bond transfer from Water and Sewer in the amount of $767,236. Of the combined ending balances, $4,333,241 or 11% is available for spending within the City's guidelines *(unassigned fund balance).*
- The City's unassigned fund balance for the general fund was $4,333,241 or 21% of total general fund expenditures.
- Long term liabilities increased to $66,632,016 during fiscal year 2021. The increase is due to the issuance of bonds.

Management's discussion and analysis is intended to serve as an introduction to the City of Corinth's basic financial statements. The City's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

The basic financial statements include two types of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the City reporting operations in more detail than the government-wide statement*s.*
- *The governmental funds* statements tell how *general governmental* services were financed in the *short term,* as well as, what remains for future spending.
- *Proprietary fund* statements offer *short* and *long-term* financial information about the activities the government operates *like* a *business*.
- *Fiduciary fund* statements provide information about the financial relationships in which the City acts solely as a *trustee or agent* for the benefit of others to whom the resources in question belong.

Required Components of the City's Annual Financial Report

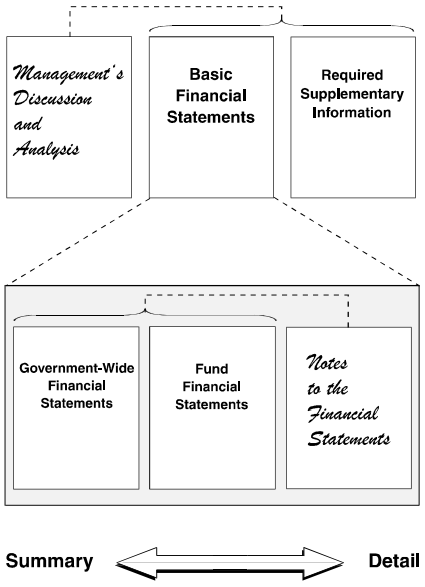


Figure 1 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of Management's Discussion and Analysis explains the structure and contents of each of the statements.

Government-wide financial statements. The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies.

The *statement of net position* presents information on all the City of Corinth's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the net difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Corinth is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows.* Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues *(governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges *(business-type activities)*. The governmental activities of the City include public safety, fire services, community services, planning and community development, public works, city administration, finance and administrative services and debt service. The business-type activities are the water and wastewater utility fund, which includes contracted garbage collection services, and the storm water utility fund.

The government-wide financial statements include not only the City itself (known as the *primary government),* but also legally separate units - Economic Development Corporation and Economic Development Corporation Foundation - as component units for which the City is financially accountable. Financial information for the component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found starting on page 24 of this report.

Figure 1. Major Feature of the City's Government-wide and Fund Financial Statements

		Fund Statements		
Type of Statements	**Government-wide**	**Governmental**	**Proprietary Funds**	**Fiduciary Funds**
Scope	Entire City's government (except fiduciary funds) and the City's component units	The activities of the City that are not proprietary or fiduciary	Activities the City operates similar to private businesses or self insurance funds	Instances in which the City is the trustee or agent for someone else's resources
Required financial statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenues, expenditures & changes in fund balance	• Statement of net position • Statement of revenues, expenditures & changes in fund net position • Statement of cash flows	• Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both financial and capital, short-term and long-term; may contain capital assets
Type of inflow/outflow information	All revenue and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenue and expenses during year, regardless of when cash is received or paid	All revenue and expenses during year, regardless of when cash is received or paid

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Corinth, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds*. Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial

statements, governmental fund financial statements focus *on near-term inflows and outflows of spendable resources,* as well as, *on balances of spendable resources available* at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The City of Corinth reports twenty-six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, 2019 CO, 2020 CO, 2021 CO and COVID Cares Act Fund, which are major funds. Data from the non-major governmental funds are combined into a single aggregated presentation. Fund data for the non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Corinth adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 28-34 of this report.

Proprietary funds. The City of Corinth maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Corinth uses two enterprise funds to account for its water and wastewater operations and for its storm water utility.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Wastewater Fund and the Storm Water Fund, both of which are major funds of the City.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 42 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $72,785,192 at the close of the most recent fiscal year.

By far the largest portion of the City of Corinth's net position ($56,483,925 or 78%) reflects its investment in capital assets (i.e., land, buildings, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City of Corinth uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Corinth's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the City's net position ($5,407,005 or 7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($10,894,262 or 15%) may be used to meet the City's ongoing obligations to citizens and creditors. The City currently has $57,835,156 available in cash and investments that may be used to meet the City's ongoing obligations to citizens and creditors. At the end of the current fiscal year the City of Corinth reported positive balances in the government-wide as a whole and the business-type activities.

City of Corinth's Changes in Fund Balance. The City's governmental funds increased fund balance by $10,289,860. The increase can be attributed to the issuance of bonds and transfer of bonds from Water and Sewer fund. Net position, as part of the government-wide reports, is reported on a full-accrual basis. The reconciliation between the overall increase to governmental fund balances and the $1,199,723 net decrease to governmental activities net position illustrates the differences in reporting between the modified accrual basis used in the funds and full-accrual used at the government-wide level.

The following are the most significant factors in the reconciliation:

- Capital outlays are shown as expenditures in the fund financials statements, but they are shown as increases in capital assets in government-wide statements.

- Repayment of bond principal and capital leases are an expenditure in the governmental funds but not an expense in the statement of activities.

- Bond proceeds and bond transfers are reported as current resources in the funds but are not reported as revenue in the statement of activities.

- Depreciation of capital assets is not reported in the funds.

- Donations/developer contributions do not constitute revenue in the funds but are reported as an increase to the net position.

Exhibit A-6 on page 34 provides a detailed reconciliation between the statement of activities and the statement of revenues, expenditures, and changes in fund balances of governmental funds.

Governmental Activities. Public safety, community services, public works, and planning and community development account for 69% of the expenses for the governmental activities. City administration, finance and administrative services and interest on long-term debt account for the remaining 31% of total expenses. These expenses were funded by revenues collected from a variety of sources. Property taxes produced $14,134,421 or 53%, Charges for services accounted for $5,266,853 or 20%, Sales tax received was $2,743,610 or 10%, Franchise taxes provided $1,048,013 or 4%, capital grants and contributions provided $1,437,849 or 5% and operating grants and contributions provided $713,760 or 3% for the governmental activities. The remaining 5% of revenue is made up of hotel occupancy tax, vehicle tax, transfers, investment interest, gain on sale of capital assets, and other miscellaneous revenue and transfers. Figure 2 provides a graphic representation of the City's expenses and any directly related revenues by source.

Figure 2: Program Revenues v. Expenses

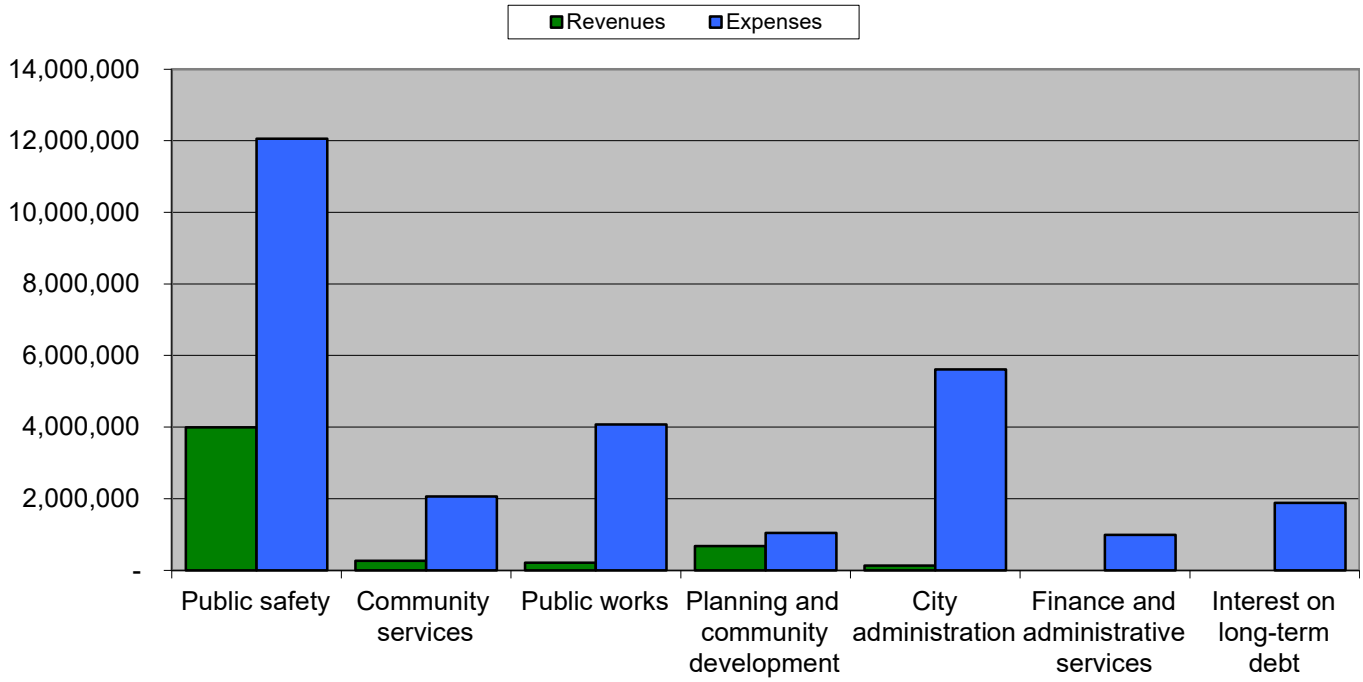


TABLE I

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
ASSETS						
Current and Other Assets	$ 47,097,597	$ 34,433,937	$ 16,739,291	$ 15,754,259	$ 63,836,888	$ 50,188,196
Capital assets	59,333,715	57,079,399	29,394,676	30,869,016	88,728,391	87,948,415
Total assets	106,431,312	91,513,336	46,133,967	46,623,275	152,565,279	138,136,611
DEFERRED OUTFLOWS OF RESOURCES						
Deferred loss from refunding	-	-	40,030	48,035	40,030	48,035
Deferred outflows - pension	1,263,684	1,376,771	201,046	216,898	1,464,730	1,593,669
Deferred outflows - OPEB	134,498	94,335	19,367	13,739	153,865	108,074
Total Deferred Outflows of Resources	1,398,182	1,471,106	260,443	278,672	1,658,625	1,749,778
LIABILITIES						
Long-term liabilities outstanding	55,011,298	42,350,829	11,780,494	13,718,369	66,791,792	56,069,198
Other liabilities	10,181,960	6,686,108	2,818,118	2,665,102	13,000,078	9,351,210
Total liabilities	65,193,258	49,036,937	14,598,612	16,383,471	79,791,870	65,420,408
DEFERRED INFLOWS OF RESOURCES						
Deferred gain on refunding	6,248	7,497	-	-	6,248	7,497
Deferred inflows - pension	1,386,692	1,506,310	188,122	204,890	1,574,814	1,711,200
Deferred inflows - OPEB	57,198	47,877	8,582	7,276	65,780	55,153
Total Deferred Inflows of Resources	1,450,138	1,561,684	196,704	212,166	1,646,842	1,773,850
NET POSITION						
Net investment in capital assets	33,285,776	34,592,990	23,198,149	23,942,064	56,483,925	58,535,054
Restricted	4,223,592	3,314,583	1,183,413	792,236	5,407,005	4,106,819
Unrestricted	3,676,730	4,478,248	7,217,532	5,572,010	10,894,262	10,050,258
Total Net Position	$ 41,186,098	$ 42,385,821	$ 31,599,094	$ 30,306,310	$ 72,785,192	$ 72,692,131

Governmental activities. As shown below, governmental activities decreased net position by $1,199,723 and business-type activities increased net position by $1,292,784. A detailed examination of all the elements affecting net position can be found in Table II.

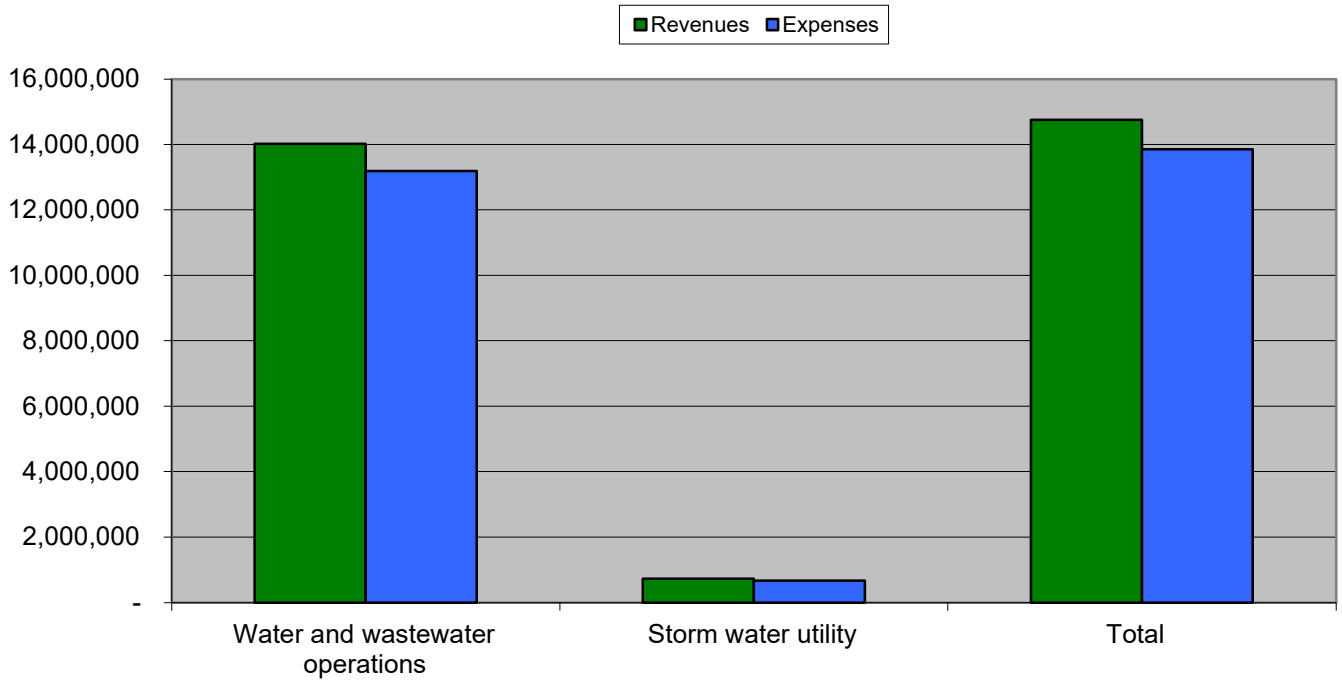
TABLE II

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues						
Charges for services	$ 5,266,853	$ 4,604,822	$ 14,751,178	$ 13,400,373	$ 20,018,031	$ 18,005,195
Operating grants and contributions	713,760	1,528,396	50,935	-	764,695	1,528,396
Capital grants and contributions	1,437,849	1,258,616	975,552	1,073,307	2,413,401	2,331,923
General revenues						
Property taxes	14,134,421	12,974,859	-	-	14,134,421	12,974,859
Sales taxes	2,743,610	2,635,407	-	-	2,743,610	2,635,407
Franchise taxes	1,048,013	1,195,130	-	-	1,048,013	1,195,130
Hotel taxes	77,878	71,707	-	-	77,878	71,707
Vehicle taxes	577	-	-	-	577	-
Miscellaneous	23,831	10,436	3,038	1,269	26,869	11,705
Investment interest	104,170	335,182	44,066	203,839	148,236	539,021
Gain on sale of capital assets	199,726	54,204	94,115	389	293,841	54,593
Total Revenues	25,750,688	24,668,759	15,918,884	14,679,177	41,669,572	39,347,936
Expenses:						
Public safety	12,059,685	11,917,879	-	-	12,059,685	11,917,879
Community services	2,062,111	1,612,246	-	-	2,062,111	1,612,246
Public works	4,076,489	4,425,877	-	-	4,076,489	4,425,877
Planning and community development	1,041,345	1,229,618	-	-	1,041,345	1,229,618
City administration	5,612,646	2,592,272	-	-	5,612,646	2,592,272
Finance and administrative services	987,844	1,105,611	-	-	987,844	1,105,611
Interest on long-term debt	1,886,621	1,126,076	-	-	1,886,621	1,126,076
Water and wastewater	-	-	13,184,689	13,227,342	13,184,689	13,227,342
Storm drainage	-	-	665,081	678,058	665,081	678,058
Total Expenses	27,726,741	24,009,579	13,849,770	13,905,400	41,576,511	37,914,979
Increase (decrease) in net position before transfers, contributions and special items	(1,976,053)	659,180	2,069,114	773,777	93,061	1,432,957
Net transfers	776,330	1,657,055	(776,330)	(1,657,055)	-	-
Increase (decrease) in net position	(1,199,723)	2,316,235	1,292,784	(883,278)	93,061	1,432,957
Net postion - beginning	42,385,821	40,069,586	30,306,310	31,189,588	72,692,131	71,259,174
Net position - ending	$ 41,186,098	$ 42,385,821	$ 31,599,094	$ 30,306,310	$ 72,785,192	$ 72,692,131

Business-type Activities. Business-type activities increased the City's net position by $1,292,784. Charges for Services is a major revenue source in both the Water/Wastewater Fund and the Storm Drainage Fund, producing $14,020,111 and $731,067, respectively, in revenue. Charges for services account for 93% of the revenue. Contributions of assets arising from new property development within the City and capital and operating grants, totaled $1,026,487 or 6% in revenue. Less than 1% of revenue is made up of investment interest, miscellaneous revenue, and gain on sale of capital assets.

Total revenue from water and wastewater sales and services was $14,020,111; associated operating costs of water, wastewater treatment, and operations and maintenance accounted for $13,184,689 of the total business-type expenses of $13,849,770. The remaining $665,081 in expenses for business-type activities is associated with the storm water utility. Storm water utility fees brought in $731,067 in revenue. The following chart (Figure 3) provides a graphic representation of the City's business-type expenses and any directly related revenues by source.

Figure 3: Program Revenues v. Expenses



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $39,577,983 an increase of $10,289,860 in comparison with the prior year. The net increase in combined ending fund balance is due to the following: a net decrease in the General Fund balance of $2,063,781, a net increase in the Debt Service Fund of $177,317, a net decrease of $2,817,613 in the 2019 CO Fund, a net increase of $8,760,463 in the 2020 CO Fund, a net increase of $5,001,698 in the 2021 CO Fund, a net increase of $1,262 in COVID Cares Act Fund, and a net increase of $1,230,514 in other governmental funds.

Of the combined total governmental fund balances of $39,577,983, $4,333,241 reflects the General Fund *unassigned* fund balance which is available for spending at the government's discretion. The fund balance that is designated as *restricted* is not available for new spending due to debt service amounts, specific programs, and construction projects amounts to $546,169, $4,586,786, and $26,189,768, respectively. The fund balance that is designated as *committed,* $3,897,165 represents those amounts committed to liquidate contracts or encumbrances. The fund balance amount designated as *non-spendable* is for prepaid items, $9,800, and inventories, $15,054.

General Fund. The General Fund is the chief operating fund of the City of Corinth. At the end of the current fiscal year, *unassigned* fund balance of the General Fund was $4,333,241 while total fund balance reached $4,358,095. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures for the fiscal year. Unassigned fund balance represents 21.1% of total General Fund expenditures, while total fund balance represents 21.3% of that same amount.

This year, in the General Fund, revenues were less than expected by a total of $8,757. Property taxes, franchise taxes, traffic fines and forfeitures, parks and recreation fees, interest income, and charges for services were less than budget by $243,038, $100,192, $81,414, $82,145, $94,549, and $259,852, respectively. Sales tax, utility fees, development fees and permits, police fee and permits, fire services, donations, grants, and miscellaneous income were above budget by $343,545, $131,134, $40,348, $256,875, $21,462, $1,000, $48,203, and $9,866, respectively. The City budgeted for no growth in fiscal year 2021. While revenues were under budget by $8,757, expenditures were also under budget by $1,628,704. The net effect at year end was a decrease of $2,063,781 of revenues over expenditures in the General Fund.

Debt Service Fund. As part of the budgetary process, the government enacts a dedicated property tax for debt service each fiscal year. The Debt Service Fund has a total fund balance of $546,169, all of which is restricted for the payment of debt service.

2019 CO Fund. This fund is used to track revenues and expenditures related to the 2019 CO Debt Issuance. Funds will be used for acquiring and improving Quail Run realignment, Park Ridge, Elevated Storage Tank, and the Lake Sharon Road Extension.

2020 CO Fund. This fund is used to track revenues and expenditures related to the 2020 CO Debt Issuance. Funds will be used for acquiring NCTC Street, Lake Sharon Extension, Commons ROW and Drainage, Lynchburg Creek Flood Mitigation, TANKO Street Lights and Walton Street.

2021 CO Fund. This fund is used to track revenues and expenditures related to the 2021 CO Debt Issuance. Funds will be used for acquiring and improving North Corinth, Main, Agora and NCTC Streets.

COVID Cares Act Fund. This fund is used to track revenues and expenditures related to the funding signed into law on March 11, 2021, designed to speed up the recovery from the pandemic and ongoing recession. These grant funds have been earmarked for infrastructure investments within the city.

Other Governmental Funds. The non-major governmental funds are the Crime Control and Prevention Fund, Street Maintenance Fund, Hotel-Motel Tax Fund, Keep Corinth Beautiful Fund, County Child Safety Fund, Special Revenue Funds, Municipal Court Security Fund, Municipal Court Technology Fund, Police Confiscation Fund – State, Parks Development Fund, Community Park Improvement Fund, Tree Mitigation Fund, Roadway Impact Fee Fund, Fire District, Broadband, Reinvestment Zone #2, Governmental Capital Projects Fund, Vehicle Replacement Fund, LCFD Vehicle & Equipment Replacement Fund, Technology Equipment Replacement Fund, Street Escrow Fund, 2016 GO Fund, 2017 CO Fund, and General Public Property (Capital), Public Property LCFD Fund and General Public Property (Special Revenue). Each of these funds is used to account for revenues and expenditures related to specific purposes.

- The Corinth Crime Control and Prevention District is a special sales tax of $.0025 levied for crime control and prevention within the City. Sales tax collections were $77,300 more than budgeted, interest earnings were less than budgeted by $1,628 and expenditures were $27,502 less than budgeted. Due to the positive variances in revenues and expenditures, actual fund balance increased $179,466.

- The Fire District Sales Tax fund accounts for the collection of a special sales tax of $.0025. Sales tax collections were less than budgeted by $15,712 interest earnings were more than budgeted by $100 and

expenditures were less than budget by $54,533. These combined increased actual fund balance by $180,921.

Proprietary funds. The City of Corinth's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The City maintains two enterprise funds, the Water and Wastewater fund and the Storm Water utility fund.

Water and Wastewater fund assets of $40,831,346 and deferred outflows of resources of $229,420 exceeded liabilities of $13,572,382 and deferred inflows of resources of $179,111, reporting net position of $27,309,273. The net non-operating revenues and expenses were ($219,453) which included investment interest, debt service interest, miscellaneous income, as well as the sale of aging and obsolete capital assets at auction. The largest portion of the non-operating expenses was $358,236 of interest expense. Unrestricted net position for the Water and Wastewater fund increased from $4,949,413 in fiscal year 2020 to $6,470,185 for fiscal year 2021.

Storm Water utility fund assets of $5,302,621 and deferred outflows of $31,023 exceeded liabilities of $1,026,230 and deferred inflows of resources of $17,593, leaving total net position of $4,289,821. Total net position increased $180,156, unrestricted net position increased from $622,597 to $747,347. The storm water utility reported operating income of $89,554 in fiscal year 2021. Net non-operating revenues and expenses were ($21,132) which includes $2,436 in interest income and $23,568 in interest expense.

GENERAL FUND BUDGETARY HIGHLIGHTS

For fiscal year 2020-2021, General Fund actual expenditures (including transfers) were $21,857,806 compared to the final budget of $23,461,510. The $1,628,704 expenditure variance was due to reduced costs of $365,462 for Public Safety, $160,947 in Planning and Community Development, $200,887 in Community Services, $453,955 in City Administration, $371,980 in Finance and Administrative Services, and $75,473 in Public Works. Actual revenue (including transfers) was $19,794,025 compared to the final budget of $19,768,192. Of the $8,757 revenue variance, approximately $243,038 was for decreased in property taxes, $259,852 decrease in charges for services, $100,192 decrease in franchise tax, and $343,545 increase in sales, $256,875 increase in police fees and permits, and an increase in utility fees in the amount of $131,134.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City of Corinth's investment in capital assets for its governmental and business type activities as of September 30, 2021, amounts to $88,728,391 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities and infrastructure. The total change in the City's investment in capital assets for the current fiscal year represents purchases, retirements, construction in progress for infrastructure and transfers and adjustments.

TABLE III
CAPITAL ASSETS AT YEAR-END

	Governmental Activities		Business-Type Activities		TOTAL	
	2021	2020	2021	2020	2021	2020
Land	$11,363,981	$ 7,539,903	$ 538,350	$ 534,004	$ 11,902,331	$ 8,073,907
CIP	475,200	6,537,743	591,515	534,454	1,066,715	7,072,197
Buildings	13,327,658	13,786,899	1,426,853	1,511,078	14,754,511	15,297,977
Machinery and equipment	4,277,209	4,741,879	460,254	403,601	4,737,463	5,145,480
Infrastructure	29,889,667	24,472,975	26,377,704	27,885,879	56,267,371	52,358,854
Total capital assets	$59,333,715	$57,079,399	$29,394,676	$30,869,016	$88,728,391	$87,948,415

Additional information on the City's capital assets can be found in the notes to the financial statements on page 51.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of $58,215,004 consisting of General Obligation Bonds and Certificates of Obligation. Debt can be reallocated among the Governmental and Business-Type Activities to reflect the amount of outstanding debt related to capital projects. All debt payments were made when due. Total debt payments equaled $2,035,000. Total outstanding debt increased by $12,090,939 in fiscal year 2021 due to issuance of bonds (see Note 6).

TABLE IV
OUTSTANDING DEBT AT YEAR-END

	Governmental Activities		Business-Type Activities		TOTAL	
	2021	2020	2021	2020	2021	2020
General Obligation Bonds	$ 3,829,672	$ 4,424,982	$ 4,340,332	$ 5,015,020	$ 8,170,004	$ 9,440,002
Certificates of Obligation	43,413,896	29,294,538	6,631,104	7,515,464	50,045,000	36,810,002
Capital Lease Obligation	2,145,728	2,085,345	217,538	151,982	2,363,266	2,237,327
Total outstanding debt	$ 49,389,296	$ 35,804,865	$ 11,188,974	$ 12,682,466	$ 60,578,270	$ 48,487,331

Additional information on the City's long-term debt can be found in this report in the notes to the financial statements on page 54.

Moody's Investor's Service, Inc. has given the City's General Obligation Bond and the Certificates of Obligation a rating of "Aa2". Standard and Poor's Corporation has given both the City's General Obligation and Certificates of Obligation an "AA" rating. The City is permitted by Article XI. Section 5 of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The current ratio of tax-supported debt to certified assessed value of all taxable property is 2.71 percent.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City continues to rely heavily on property tax to support its continuing operations. Certified property values increased 5.07% for the 2021 tax year over the 2020 certified value. Sales tax, the second largest revenue source for the General Fund during FY 2020-2021 also increased by 15.5% over the prior year's receipts. Although the COVID-19 pandemic had an organizational impact, the financial impact was minimal on affecting Traffic Fines & Forfeitures. All other revenues remained firm. The City held an election in November 2020 to shift 1/2 cent sales tax from the Street Maintenance Sales Tax to the fire district. The tax was approved by the voters and become effective in April 2021. The City adopted an ordinance creating a Tax Increment Reinvestment Zone (TIRZ) in September 2019. A short-term vehicle rental tax was approved by voters in May 2021 to help fund the Commons at Agora Park and pavilion.

The City Council approved a tax rate of $.57817 for fiscal year 2021. General operations and maintenance will receive $.43923 of the total and the remaining $.13894 will fund long-term debt of the City.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, City of Corinth, 3300 Corinth Parkway, Corinth, Texas, 76208.

BASIC FINANCIAL STATEMENTS

	Primary Government			Component Units	
	Governmental Activitites	Business-Type Activities	Total	Corinth Economic Development Corporation	Corinth Economic Development Foundation
Assets					
Cash and cash equivalents	$ 11,316,338	$ 5,252,268	$ 16,568,606	$ 264,318	$ 397,501
Investments	32,041,021	9,225,529	41,266,550	451,689	-
Receivables (net of allowance)					
Accounts	3,715,384	2,160,563	5,875,947	181,134	-
Inventories	15,054	99,981	115,035	-	-
Prepaid items	9,800	950	10,750	2,000	-
Capital assets not being depreciated					
Land	11,363,981	538,350	11,902,331	4,313,348	2,056,382
Construction in progress	475,200	591,515	1,066,715	-	-
Capital assets (net of accumulated depreciation)					
Buildings	13,327,658	1,426,853	14,754,511	-	-
Machinery and equipment	4,277,209	460,254	4,737,463	-	-
Infrastructure	29,889,667	26,377,704	56,267,371	-	-
Total assets	106,431,312	46,133,967	152,565,279	5,212,489	2,453,883
Deferred Outflows of Resources					
Deferred loss from refunding	-	40,030	40,030	-	-
Deferred outflows - pension	1,263,684	201,046	1,464,730	17,390	-
Deferred outflows - OPEB	134,498	19,367	153,865	1,617	-
Total deferred outflows of resources	1,398,182	260,443	1,658,625	19,007	-
Liabilities					
Accounts payable	527,959	805,877	1,333,836	2,423	-
Accrued liabilities	616,859	92,460	709,319	7,864	-
Accrued interest payable	305,548	58,149	363,697	-	-
Municipal court bonds	9,308	-	9,308	-	-
Customer meter deposits	-	654,585	654,585	-	-
Other liabilities	2,002,298	-	2,002,298	-	-
Unearned revenues	2,759,142	-	2,759,142	-	-
Noncurrent liabilities					
Due within one year	3,960,846	1,207,047	5,167,893	5,345	-
Due in more than one year	50,317,807	11,146,316	61,464,123	-	-
Net pension liability	4,247,481	574,968	4,822,449	56,454	-
Total OPEB liability	446,010	59,210	505,220	5,494	-
Total liabilities	65,193,258	14,598,612	79,791,870	77,580	-

The accompanying notes are an integral part of these financial statements.

Deferred Inflows of Resources					
Deferred gain on refunding	6,248	-	6,248	-	-
Deferred inflows - pension	1,386,692	188,122	1,574,814	16,709	-
Deferred inflows - OPEB	57,198	8,582	65,780	697	-
Total deferred inflows of resources	1,450,138	196,704	1,646,842	17,406	-
Net Position					
Net investment in capital assets	33,285,776	23,198,149	56,483,925	4,313,348	2,056,382
Restricted for capital projects	296,230	1,183,413	1,479,643	-	-
Restricted for specific programs	3,646,187	-	3,646,187	-	-
Restricted for debt service	281,175	-	281,175	-	-
Restricted for economic development	-	-	-	823,162	397,501
Unrestricted	3,676,730	7,217,532	10,894,262	-	-
Total net position	$ 41,186,098	$ 31,599,094	$ 72,785,192	$ 5,136,510	$ 2,453,883

		Program Revenue		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities				
Public safety	$ 12,059,685	$ 3,991,353	$ 611,973	$ -
Community services	2,062,111	261,673	54,750	-
Public works	4,076,489	211,992	-	1,437,849
Planning and community development	1,041,345	671,772	-	-
City administration	5,612,646	130,063	47,037	-
Finance and administrative services	987,844	-	-	-
Interest on long-term debt	1,886,621	-	-	-
Total governmental activities	27,726,741	5,266,853	713,760	1,437,849
Business-type activities				
Water and sewer	13,184,689	14,020,111	50,935	769,428
Storm drainage	665,081	731,067	-	206,124
Total business-type activities	13,849,770	14,751,178	50,935	975,552
Total primary government	41,576,511	20,018,031	764,695	2,413,401
Component units				
Corinth Economic Development Corporation	446,410	-	-	-
Corinth Economic Development Foundation	249,588	-	-	2,700,000
Total component units	$ 695,998	$ -	$ -	$ 2,700,000
General Revenues				
Taxes				
Property taxes				
Sales taxes				
Franchise taxes				
Hotel occupancy tax				
Vehicle tax				
Investment income				
Other income				
Gain on sale of capital assets				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning				
Net position, ending				

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Corinth Economic Development Corporation	Corinth Economic Development Foundation
$ (7,456,359)	$ -	$ (7,456,359)		
(1,745,688)	-	(1,745,688)		
(2,426,648)	-	(2,426,648)		
(369,573)	-	(369,573)		
(5,435,546)	-	(5,435,546)		
(987,844)	-	(987,844)		
(1,886,621)	-	(1,886,621)		
(20,308,279)	-	(20,308,279)		
-	1,655,785	1,655,785		
-	272,110	272,110		
-	1,927,895	1,927,895		
(20,308,279)	1,927,895	(18,380,384)		
			(446,410)	-
			-	2,450,412
			(446,410)	2,450,412
14,134,421	-	14,134,421	-	-
2,743,610	-	2,743,610	978,390	-
1,048,013	-	1,048,013	-	-
77,878	-	77,878	-	-
577	-	577	-	-
104,170	44,066	148,236	2,229	3,471
23,831	3,038	26,869	2,468	-
199,726	94,115	293,841	-	-
776,330	(776,330)	-	-	-
19,108,556	(635,111)	18,473,445	983,087	3,471
(1,199,723)	1,292,784	93,061	536,677	2,453,883
42,385,821	30,306,310	72,692,131	4,599,833	-
$ 41,186,098	$ 31,599,094	$ 72,785,192	$ 5,136,510	$ 2,453,883

	General	Debt Service	2019 CO Fund	2020 CO Fund
Assets				
Cash and cash equivalents	$ 363,337	$ 549,095	$ 303,070	$ 366,254
Investments	4,388,112	-	12,151,153	8,402,040
Receivables (net of allowance)				
Property taxes	122,979	37,146	-	-
Sales taxes	362,322	-	-	-
Accounts	9,009	-	-	-
Interest	2,725	-	3,424	1,594
Warrants	2,360,542	-	-	-
Ambulance	331,270	-	-	-
Miscellaneous	293,951	-	-	-
Due from other governments	1,523	482	-	-
Inventories	15,054	-	-	-
Prepaid items	9,800	-	-	-
Total assets	$ 8,260,624	$ 586,723	$ 12,457,647	$ 8,769,888
Liabilities				
Accounts payable	$ 418,569	$ -	$ 30,040	$ 9,425
Accrued liabilities	606,740	-	-	-
Municipal court bonds	9,308	-	-	-
Other liabilities	1,304,418	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	2,339,035	-	30,040	9,425
Deferred Inflows of Resources				
Unavailable revenue	1,563,494	40,554	-	-
Total deferred inflows of resources	1,563,494	40,554	-	-
Fund Balances				
Nonspendable	24,854	-	-	-
Restricted	-	546,169	12,427,607	8,760,463
Committed	-	-	-	-
Unassigned	4,333,241	-	-	-
Total fund balances	4,358,095	546,169	12,427,607	8,760,463
Total liabilites, deferred inflows of resources, and fund balances	$ 8,260,624	$ 586,723	$ 12,457,647	$ 8,769,888

The accompanying notes are an integral part of these financial statements.

2021 CO Fund	COVID CARES Act Fund	Other Governmental Funds	Total Governmental Funds
$ 250,748	$ 2,740,177	$ 6,743,657	$ 11,316,338
4,750,000	-	2,349,716	32,041,021
-	-	-	160,125
-	-	154,069	516,391
-	-	-	9,009
950	-	35	8,728
-	-	-	2,360,542
-	-	-	331,270
-	-	33,363	327,314
-	-	-	2,005
-	-	-	15,054
-	-	-	9,800
$ 5,001,698	$ 2,740,177	$ 9,280,840	$ 47,097,597
$ -	$ -	$ 69,925	$ 527,959
-	-	10,119	616,859
-	-	-	9,308
-	-	697,880	2,002,298
-	2,737,911	21,231	2,759,142
-	2,737,911	799,155	5,915,566
-	-	-	1,604,048
-	-	-	1,604,048
-	-	-	24,854
5,001,698	2,266	4,584,520	31,322,723
-	-	3,897,165	3,897,165
-	-	-	4,333,241
5,001,698	2,266	8,481,685	39,577,983
$ 5,001,698	$ 2,740,177	$ 9,280,840	$ 47,097,597

Total Fund Balances - Governmental Funds	$ 39,577,983
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.	59,333,715
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. As a result, these liabilities decrease net position:	
Capital leases payable	(2,145,728)
Bonds payable	(50,730,100)
Accrued compensated absences	(1,402,825)
Deferred gain on bond refunding is not included in the governmental funds but is deferred and amortized in the government wide statements.	(6,248)
Payables for bond interest which are not due in the current period are not reported in the fund financial statements but are included in the statement of net position. This results in a decrease in net position.	(305,548)
Included in liabilities is the recognition of the City's net pension liability in the amount of $4,247,481, a deferred inflow of resources of $1,386,692 and a deferred outflow of resources of $1,263,684. This results in a decrease in net position.	(4,370,489)
Included in liabilities is the recognition of the City's total OPEB liability in the amount of $446,010, a deferred inflow of resources of $57,198, and a deferred outflow of resources of $134,498. This results in a decrease in net position.	(368,710)
Other adjustments are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting. Net property taxes receivable of $174,279, net fines, fees and court costs receivable of $1,058,448, net fees for ambulance receivables of $331,270, and franchise tax receivable for $40,051 were unavailable to pay for the current period expenditures and are deferred inflows in the governmental funds but are recognized as revenue in the government wide statements. This results in an increase in net position.	1,604,048
Net Position of Governmental Activities	$ 41,186,098

The accompanying notes are an integral part of these financial statements.

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	General	Debt Service	2019 CO Fund	2020 CO Fund
Revenues				
Taxes				
Property	$ 10,620,141	$ 3,372,815	$ -	$ -
Sales	1,956,672	-	-	-
Hotel occupancy tax	-	-	-	-
Franchise	940,178	-	-	-
Vehicle	-	-	-	-
Escrow and impact fees	-	-	-	-
Utility fees	157,634	-	-	-
Traffic fines and forfeitures	598,444	-	-	-
Development fees and permits	494,682	-	-	-
Police fees and permits	551,213	-	-	-
Parks and recreation fees	63,095	-	-	-
Fire services	2,677,496	-	-	-
Donations	1,000	-	-	-
Interest income	23,572	6,662	17,805	11,649
Grants	358,943	-	-	-
Miscellaneous income	54,989	-	-	-
Charges for services	176,700	-	-	-
Total revenues	18,674,759	3,379,477	17,805	11,649
Expenditures				
Current				
Public safety	11,005,110	-	-	-
Community services	1,603,641	-	-	42,044
Public works	807,577	-	-	9,417
Planning and community development	939,645	-	32,052	-
City administration	5,069,966	-	-	-
Finance and administrative services	1,015,624	-	-	-
Debt service				
Principal	-	1,600,440	-	-
Interest	-	1,542,812	-	-
Issuance cost and fees	-	1,302	-	220,569
Capital outlay	-	-	4,070,602	891,505
Total expenditures	20,441,563	3,144,554	4,102,654	1,163,535
Excess (Deficiency) of Revenues over (under) Expenditures	(1,766,804)	234,923	(4,084,849)	(1,151,886)
Other Financing Sources (Uses)				
Issuance of capital leases	-	-	-	-
Issuance of bonds	-	-	-	9,260,000
Premium on bonds issued	-	-	-	655,857
Proceeds from sale of capital assets	-	-	-	-
Transfers out	(1,416,243)	(64,337)	-	(3,508)
Transfers in	1,119,266	6,731	1,267,236	-
Total other financing sources (uses)	(296,977)	(57,606)	1,267,236	9,912,349
Net Change in Fund Balance	(2,063,781)	177,317	(2,817,613)	8,760,463
Fund Balance - October 1 (Beginning)	6,421,876	368,852	15,245,220	-
Fund Balance - September 30 (Ending)	$ 4,358,095	$ 546,169	$ 12,427,607	$ 8,760,463

The accompanying notes are an integral part of these financial statements.

City of Corinth, Texas
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds (Exhibit A-5)
Year Ended September 30, 2021

2021 CO Fund	COVID CARES Act Fund	Other Governmental Funds	Total Governmental Funds
$ -	$ -	$ 54,786	$ 14,047,742
-	-	786,938	2,743,610
-	-	77,878	77,878
-	-	110,049	1,050,227
-	-	577	577
-	-	211,992	211,992
-	-	-	157,634
-	-	34,579	633,023
-	-	-	494,682
-	-	26,832	578,045
-	-	147,283	210,378
-	-	-	2,677,496
-	-	1,025,011	1,026,011
6,783	2,336	35,363	104,170
-	251,028	-	609,971
-	-	22,928	77,917
-	-	-	176,700
6,783	253,364	2,534,216	24,878,053
-	-	364,643	11,369,753
-	-	61,534	1,707,219
-	-	85,618	902,612
-	-	84,858	1,056,555
-	198,097	136,975	5,405,038
-	-	7,390	1,023,014
-	-	239,718	1,840,158
-	-	40,458	1,583,270
138,139	-	-	360,010
-	19,415	1,704,922	6,686,444
138,139	217,512	2,726,116	31,934,073
(131,356)	35,852	(191,900)	(7,056,020)
-	-	533,120	533,120
4,740,000	-	-	14,000,000
393,054	-	-	1,048,911
-	-	206,211	206,211
-	(34,590)	(500,000)	(2,018,678)
-	-	1,183,083	3,576,316
5,133,054	(34,590)	1,422,414	17,345,880
5,001,698	1,262	1,230,514	10,289,860
-	1,004	7,251,171	29,288,123
$ 5,001,698	$ 2,266	$ 8,481,685	$ 39,577,983

City of Corinth, Texas
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities (Exhibit A-6)
Year Ended September 30, 2021

Net Change in Fund Balances - Total Governmental Funds		$ 10,289,860
Amounts reported for governmental activities in the statement of activities are different because:		
Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements.		6,753,100
Developer contributions increase capital assets in the government-wide financial statements.		516,429
The net book value of capital assets disposed reduces net position.		(6,485)
Depreciation is not recognized as an expenditure in governmental funds since it does not require the use of current financial resources.		(5,008,728)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Bonds payable transferred in from Water and Sewer Fund	(767,236)	
Bond premium transferred in from Water and Sewer Fund	(14,071)	
Issuance of bonds	(14,000,000)	
Issuance of bond premium	(1,048,911)	
Issuance of capital lease	(533,120)	
Bond principal repayments	1,243,188	
Capital lease principal repayment	472,737	
Amortization of bond premium	277,311	
Amortization of deferred gain on bond refunding	1,249	
		(14,368,853)
Changes in long-term liabilities for compensated absences are not reported in the governmental funds but are included in the statement of activities.		(22,831)
Interest payable on long-term debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expenditures are reported when due. The current year change in the interest accrual is a decrease in net position.		(97,668)
Certain pension expenditures that are recorded in the fund financial statements must be recorded as deferred outflows of resources. Contributions made after the measurement date caused the change in net position to increase in the amount of $1,170,469. The City's share of the unrecognized deferred inflows and outflows for TMRS as of the measurement date must be amortized and the City's pension expense must be recognized. These cause the change in net position to decrease in the amount of $530,636.		639,833
Certain OPEB expenditures that are recorded in the fund financial statements must be recorded as deferred outflows of resources. Contributions made after the measurement date caused the change in net position to increase in the amount of $11,076. The City's share of the unrecognized deferred inflows and outflows for TMRS as of the measurement date must be amortized and the City's OPEB expense must be recognized. These cause the change in net position to decrease in the amount of $61,936.		(50,860)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred inflows of resources as revenue, adjusting current year revenue to include the revenue earned from current year's tax levy, and eliminating interfund transactions. These adjustments result in an increase in net position.		156,480
Change in Net Position of Governmental Activities		$ (1,199,723)

The accompanying notes are an integral part of these financial statements.

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	Enterprise Funds		
	Water and Sewer Fund	Storm Drainage Fund	Total Enterprise Funds
Assets			
Current assets			
Cash and cash equivalents	$ 4,699,046	$ 553,222	$ 5,252,268
Investments	8,940,784	284,745	9,225,529
Receivables (net of allowance)			
Accounts	2,010,193	88,909	2,099,102
Interest	3,210	-	3,210
Miscellaneous	58,251	-	58,251
Inventories	95,301	4,680	99,981
Prepaid items	950	-	950
Total current assets	15,807,735	931,556	16,739,291
Noncurrent assets			
Capital assets			
Land	526,350	12,000	538,350
Construction in progress	301,885	289,630	591,515
Buildings	1,757,915	-	1,757,915
Machinery and equipment	1,397,403	271,990	1,669,393
Infrastructure	45,899,634	6,919,990	52,819,624
Less accumulated depreciation	(24,859,576)	(3,122,545)	(27,982,121)
Total capital assets (net of accumulated depreciation)	25,023,611	4,371,065	29,394,676
Total assets	40,831,346	5,302,621	46,133,967
Deferred Outflows of Resources			
Deferred charge on refunding	34,615	5,415	40,030
Deferred outflows - pension	176,993	24,053	201,046
Deferred outflows - OPEB liability	17,812	1,555	19,367
Total deferred outflows of resources	229,420	31,023	260,443
Liabilities			
Current liabilities			
Accounts payable	792,603	13,274	805,877
Accrued liabilities	85,068	7,392	92,460
Accrued interest payable	53,131	5,018	58,149
Customer deposits	654,585	-	654,585
Current portion of capital leases	60,837	9,055	69,892
Current portion of compensated absences	76,379	3,013	79,392
Current portion of bonds	920,325	137,438	1,057,763
Total current liabilities	2,642,928	175,190	2,818,118

The accompanying notes are an integral part of these financial statements.

Noncurrent liabilities			
Capital leases	130,758	16,888	147,646
Compensated absences	22,266	-	22,266
Net pension liability	510,749	64,219	574,968
Total OPEB liability	54,743	4,467	59,210
General obligation bonds	10,210,938	765,466	10,976,404
Total noncurrent liabilities	10,929,454	851,040	11,780,494
Total liabilities	13,572,382	1,026,230	14,598,612
Deferred Inflows of Resources			
Deferred inflows - pension	171,247	16,875	188,122
Deferred inflows - OPEB	7,864	718	8,582
Total deferred inflows of resources	179,111	17,593	196,704
Net Position			
Net investment in capital assets	19,750,516	3,447,633	23,198,149
Restricted for capital projects	1,088,572	94,841	1,183,413
Unrestricted	6,470,185	747,347	7,217,532
Total net position	$ 27,309,273	$ 4,289,821	$ 31,599,094

	Enterprise Funds		
	Water and Sewer Fund	Storm Drainage Fund	Total Enterprise Funds
Operating Revenues			
Charges for sales and services:			
Water sales	$ 7,790,780	$ -	$ 7,790,780
Sewer disposal	4,748,929	-	4,748,929
Storm drainage fees	-	731,067	731,067
Garbage	1,012,228	-	1,012,228
Penalties and reconnect fees	150,560	-	150,560
Tap fees	271,618	-	271,618
Service fees	33,140	-	33,140
Inspections	12,856	-	12,856
Grants	50,935	-	50,935
Total Operating Revenues	14,071,046	731,067	14,802,113
Operating Expenses			
Wages and benefits	1,670,684	157,492	1,828,176
Professional services and contracts	1,354,926	88,649	1,443,575
Upper Trinity contract fees	6,884,752	-	6,884,752
Maintenance and operations	476,014	14,687	490,701
Supplies	65,896	10,508	76,404
Utilities and communication	189,245	3,314	192,559
Vehicles/equipment and fuel	97,013	20,760	117,773
Travel and training	15,083	-	15,083
Depreciation	2,072,840	346,103	2,418,943
Total Operating Expenses	12,826,453	641,513	13,467,966
Operating Income	1,244,593	89,554	1,334,147
Nonoperating Revenues (Expenses)			
Interest income	41,630	2,436	44,066
Miscellaneous income (expense)	3,038	-	3,038
Gain on sale of capital assets	94,115	-	94,115
Interest expense	(358,236)	(23,568)	(381,804)
Total Nonoperating (Expenses) Revenues	(219,453)	(21,132)	(240,585)
Income Before Contributions and Transfers	1,025,140	68,422	1,093,562
Contributions and Transfers			
Special assessment - water and sewer impact fees	386,624	-	386,624
Capital contributions	382,804	206,124	588,928
Transfers in	2,117,140	109,831	2,226,971
Transfers out	(2,799,080)	(204,221)	(3,003,301)
Total Contributions and Transfers	87,488	111,734	199,222
Change in Net Position	1,112,628	180,156	1,292,784
Net Position, Beginning	26,196,645	4,109,665	30,306,310
Net Position, Ending	$ 27,309,273	$ 4,289,821	$ 31,599,094

The accompanying notes are an integral part of these financial statements.

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	Enterprise Funds		
	Water and Sewer Fund	Storm Drainage Fund	Total Enterprise Funds
Cash Flows from Operating Activities			
Receipts from customers	$ 13,734,609	$ 725,311	$ 14,459,920
Payments to or on behalf of employees	(1,787,984)	(165,536)	(1,953,520)
Payments to Upper Trinity for contract fees	(6,884,752)	-	(6,884,752)
Payments to suppliers	(2,194,003)	(130,557)	(2,324,560)
Net Cash Provided by Operating Activities	2,867,870	429,218	3,297,088
Cash Flows from Noncapital Financing Activities			
Transfers out	(2,799,080)	(204,221)	(3,003,301)
Transfers in	2,117,140	109,831	2,226,971
Net Cash Used by Noncapital Financing Activities	(681,940)	(94,390)	(776,330)
Cash Flows from Capital and Related Financing Activities			
Acquisition of capital assets	(183,177)	(42,605)	(225,782)
Principal paid on bonds	(667,003)	(124,809)	(791,812)
Principal paid on capital leases	(55,743)	(8,594)	(64,337)
Interest paid on bonds	(480,620)	(43,265)	(523,885)
Proceeds from sale of assets	94,115	-	94,115
Special assessments- impact fees	386,624	-	386,624
Net Cash Used by Capital and Related Financing Activities	(905,804)	(219,273)	(1,125,077)
Cash Flows from Investing Activities			
Decrease (increase) in short-term investments	(1,084,737)	49,876	(1,034,861)
Interest received	45,586	2,436	48,022
Net Cash Provided (Used) by Investing Activities	(1,039,151)	52,312	(986,839)
Net Change in Cash and Cash Equivalents	240,975	167,867	408,842
Cash and Cash Equivalents, Beginning	4,458,071	385,355	4,843,426
Cash and Cash Equivalents, Ending	$ 4,699,046	$ 553,222	$ 5,252,268

The accompanying notes are an integral part of these financial statements.

	Enterprise Funds		
	Water and Sewer Fund	Storm Drainage Fund	Total Enterprise Funds
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating income	$ 1,244,593	$ 89,554	$ 1,334,147
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation and amortization	2,072,840	346,103	2,418,943
(Increase) decrease in accounts receivable	(342,737)	(5,756)	(348,493)
(Increase) decrease in inventories	21,960	3,928	25,888
(Increase) decrease in prepaid items	(950)	-	(950)
Increase (decrease) in accounts payable	(16,836)	3,433	(13,403)
Increase (decrease) in customer deposits	6,300	-	6,300
Increase (decrease) in accrued liabilities	(117,300)	(8,044)	(125,344)
Net Cash Provided by Operating Activities	$ 2,867,870	$ 429,218	$ 3,297,088
Noncash Investing and Financing Activities			
Infrastructure contributed by developers	$ 382,804	$ 206,124	$ 588,928
Vehicles acquired through capital leases	129,893	-	129,893
Bond payable transferred to governmental activities	781,308	-	781,308

Note 1 - Reporting Entity

The City of Corinth, Texas (the City) is a municipal corporation governed by an elected mayor and five-member council. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The financial statements of the City have been prepared in conformity with accounting principles applicable to governmental units which are generally accepted in the United States of America. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The City's basic financial statements include the accounts of all its operations. The City evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the City's reporting entity, as set forth in GASB Statement No. 14, "The Financial Reporting Entity," as amended, include whether:

- the organization is legally separate (can sue and be sued in their own name),
- the City holds the corporate powers of the organization,
- the City appoints a voting majority of the organization's board,
- the City is able to impose its will on the organization,
- the organization has the potential to impose a financial benefit/burden on the City,
- there is fiscal dependency by the organization on the City.

The City also evaluated each legally separate, tax-exempt organization whose resources are used principally to provide support to the City to determine if its omission from the reporting entity would result in the financial statements which are misleading or incomplete. GASB Statement No. 39 requires inclusion of such an organization as a component unit when: 1) the economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the City, its component units or its constituents; and 2) the City or its component units is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the organization; and 3) such economic resources are significant to the City.

Based on the criteria above, the City has the following component units:

Blended component units. The Corinth Crime Control and Prevention District (CCD) was organized under state law and serves all the citizens of the City and is financed by a one-quarter of one percent (.0025) sales and use tax for the support of crime reduction programs authorized by the City. The Fire District was organized under state law and serves all the citizens of the City and is financed by a one-quarter of one percent (.0025) sales and use tax for the support of fire control, prevention, and emergency services authorized by the City. The CCD and Fire District are governed by a board of directors, the members of which are appointed and serve at the discretion of the City Council. Because the CCD and Fire District boards are made up of the City Council, the CCD and Fire District meets the standard that the board is substantially the same as the City Council. The CCD and Fire District provide services entirely to the City. Therefore, the CCD and Fire District are reported as blended component units. The CCD and Fire District are reported as a special revenue funds and do not issue separate financial statements.

Discretely presented component units. The Corinth Economic Development Corporation (CEDC) was organized under state law for the purpose of promoting economic development. State statutes define projects that the corporation may fund. The CEDC is governed by a board of directors that are appointed by and serve at the discretion of the City Council. The CEDC is reported as a governmental fund and its accounts are maintained on the modified accrual basis of accounting. CEDC does not issue separate financial statements.

The Corinth Economic Development Foundation (CEDF) was organized as a nonprofit corporation to promote and enhance the economic and business community in the City of Corinth. The CEDF is governed by a board of directors that are appointed by and serve at the discretion of the City Council. The CEDF is reported as a governmental fund and its accounts are maintained on the modified accrual basis of accounting. CEDF does not issue separate financial statements.

Note 2 - Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenue are reported instead as general revenue.

Separate financial statements are provided for governmental and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported in separate columns in the fund financial statements.

Note 3 - Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenue to be available if collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, sales taxes, certain charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

- The **General Fund** is the general operating fund of the City. It is used to account for all financial resources of the general government, except those required to be accounted for in another fund.

- The **Debt Service Fund** is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.
- The **2019 CO Fund** is used to account for the resources obtained from the issuance of the 2019 $19,205,000 Combination Tax and Limited Surplus Revenue Certificates of Obligation.
- The **2020 CO Fund** is used to account for the resources obtained from the issuance of the 2020 $9,260,000 Combination Tax and Limited Surplus Revenue Certificates of Obligation.
- The **2021 CO Fund** is used to account for the resources obtained from the issuance of the 2021 $4,740,000 Combination Tax and Limited Surplus Revenue Certificates of Obligation.
- The **COVID CARES Act Fund** is used to account for grant funding received from the CARES Act.

The City reports the following major proprietary fund types:

- **Water and Sewer Fund** – The Water and Sewer Fund provides water and wastewater services to the residents and businesses of Corinth. The activities supporting the delivery of services are accounted for in this fund, including operations and maintenance, administration, billing, financing and debt service. The Water and Sewer Fund is financed and operated in a manner similar to private business enterprises, where the determination of net income is necessary or useful to sound financial administration.
- **Storm Drainage Fund** – The Storm Drainage Utility Fund is used to protect the public health and safety from damage caused by surface water overflows, and surface water stagnation and pollution within the city.

Additionally, the City reports the following fund types:

- Nonmajor special revenue funds account for specific revenue sources that are legally restricted to expenditures for specialized purposes or committed for special projects.
- Nonmajor capital projects funds are used to account for acquisition and construction of major capital facilities (other than those accounted for within the City's proprietary funds) and vehicle replacement funds. Capital projects are funded primarily though certificates of obligation.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. The Water and Sewer Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses include cost of sales and services, administrative expenses and depreciation expense on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Note 4 - Assets, Liabilities, and Net Position or Equity

Cash and Cash Equivalents

For purposes of the statement of cash flows for the proprietary fund types, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments for the City and CEDC are reported at fair value (generally based on quoted market prices), except for the positions in TexPool and TexSTAR. In accordance with state law, TexPool and TexSTAR operate in conformity with the requirements of the Securities and Exchange Commission's (SEC) Rule 2a-7 as promulgated under the Investment Company Act of 1940, as amended.

Accordingly, TexPool and TexSTAR qualify as 2a-7 like pools and are reported at amortized cost. The Pools are subject to regulatory oversight by the State Comptroller, although they are not registered with the SEC.

Fair Value Measurements
Fair value accounting requires characterization of the inputs used to measure fair value into three-level fair value hierarchy as follows:

- Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access.

- Level 2 inputs are observable inputs other than quoted prices included within Level 1 that are for similar assets or liabilities. U.S. government-backed securities are valued using Level 2 inputs that are based on market data obtained from independent sources.

- Level 3 inputs are unobservable inputs for an asset or liability either directly or indirectly.

Receivables and Payables
Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." All trade and property tax receivables are shown net of an allowance for uncollectibles. The allowance totaled $1,627,704 for General Fund, $8,091 for Debt Service Fund, $82,843 for Water and Sewer Fund and $158 for Storm Drainage Fund.

Inventory
Inventory is valued at cost using the first-in, first-out (FIFO) method. Inventories consist of expendable supplies held for consumption or the construction of plant and equipment. Inventories are recorded as expenditures when consumed rather than when purchased.

Pensions
For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

OPEB
The fiduciary net position of the TMRS Supplemental Death Benefits Plan (SDBP) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, and information about assets, liabilities and additions to/deductions from SDBP's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Deferred Outflows/Inflows of Resources
In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. The City has a deferred charge on bond refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

The City has deferred outflows of resources related to pensions as described in Note 7. The City also has deferred outflows of resources related to its Supplemental Death Benefits Plan as described in Note 8.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category. The first item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, fines, ambulance services and other items. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also has deferred inflows of resources related to pensions as described in Note 7 and related to its Supplemental Death Benefits Plan as described in Note 8.

Capital Assets

Capital assets, which include property, plant and equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements as well as the proprietary fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the government chose to include all such items regardless of their acquisition date or amount. The City was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

The costs of normal maintenance and repairs that do not add to the value of the asset, or materially extend asset lives, are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Land and construction in progress are not depreciated. Other property, plant, equipment, and infrastructure of the City, as well as the component units, are depreciated using the straight-line method over the following useful lives:

Buildings	40 years
Land improvements	10-20 years
Machinery and equipment	5-20 years
Office and computer equipment	3-10 years
Water and Wastewater system infrastructure	20-40 years
Storm drainage system infrastructure	20-40 years
Streets	20-50 years
Park equipment	10-20 years

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources.

Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Compensated Absences

Accumulated earned but unused vacation, holiday, compensatory time and sick leave are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. It is the City's policy to permit employees to accumulate earned but unused vacation, compensatory time and sick pay benefits. Eligible employees are reimbursed upon separation from service for accumulated vacation, holiday, sick pay; non-exempt employees are reimbursed for vacation, holiday, compensatory time and sick leave.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and deferred outflows of resources and liabilities and deferred inflows of resources and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from these estimates.

Property Taxes

Property is appraised and a lien on such property becomes enforceable as of January 1st of each year. Taxes are levied on and payable the following October 1. Taxes become delinquent February 1 of the following year and are subject to interest and penalty charges. The City is permitted by the State of Texas to levy taxes up to $2.50 per $100 of assessed valuation for general government services and for the payment of principal and interest on general long-term debt. The combined current tax rate to finance general government services, including debt service for the fiscal year ended September 30, 2021, was $.57817 per $100 of assessed valuation.

Fund Balance

The City classifies governmental fund balance in accordance with Government Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*:

- *Nonspendable* fund balance includes fund balance that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. The City had $15,054 and $9,800 in nonspendable fund balance for inventory and prepaid items, respectively, in the General Fund at September 30, 2021.

- *Restricted* fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Debt service fund balance restricted for the retirement of funded indebtedness totaled $546,169 as of September 30, 2021. Fund balance restricted for future capital projects included the 2019 CO Fund, 2020 CO Fund, 2021 CO Fund, 2016 CO Fund and 2017 CO Fund and totaled $12,427,607, $8,760,463, $5,001,698, $644,369, and $296,230, respectively. Special revenue fund balance restricted for specific programs included COVID CARES Act, Crime Control and Prevention, Street Maintenance, Hotel Motel Tax, Keep Corinth Beautiful, County Child Safety, Municipal Court Security, Municipal Court Technology, Police Confiscation – State, Parks Development, Community Park Improvement, Tree Mitigation, Roadway Impact Fee, Fire District, Broadband Utility, and Reinvestment Zone #2 and totaled $2,266, $772,039, $1,243,667, $276,705, $29,733, $37,129, $113,620, $43,455, $11,567, $347,833, $9,425, $401,305, $106,990, $180,921, $14,531, and $55,001, respectively, as of September 30, 2021.

- *Committed* fund balance is established and modified by a resolution from City Council, the City’s highest level of decision-making authority, and can be used only for the specified purposes determined by the Council's resolution. Special revenue fund balance committed for specific programs consisted of fund balance committed to special revenue totaling $372,830 as of September 30, 2021.

Capital project fund balances committed for future projects included the Governmental Capital Projects, Vehicle Replacement, LCFD Vehicle and Equipment Replacement, Tech Equipment Replacement, Street Escrow and LCFD Public Property and totaled $1,964,335, $263,057, $523,383, $298,464, $158,860 and $316,236, respectively, as of September 30, 2021.

- *Assigned* fund balance includes the portion of net resources for which an intended use has been established by the City Council or the City Official authorized to do so by the City Council. Assignments of fund balance are much less formal than commitments and do not require formal action for their imposition or removal. In governmental funds, other than the General Fund, assigned fund balance represents the amount that is not restricted or committed which indicates that resources are, at a minimum, intended to be used for the purpose of that fund but does not meet the criteria to be classified as restricted or committed. The Council has authorized the City Manager to assign fund balance.

- *Unassigned* fund balance is the residual classification for the City's general fund and includes all spendable amounts not contained in the other classifications, as well as negative unassigned fund balance in other governmental funds.

Minimum fund balance policy
The City Council has adopted a financial policy to maintain an unassigned fund balance in the general fund equal to 20% of expenditures and in the water and sewer fund and storm drainage fund equal to 25% of expenses. The City considers a balance of less than 15% to be cause for concern, barring unusual or deliberate circumstances. In the event that the unassigned fund balance is calculated to be less than the policy stipulates, the City shall plan to adjust budget resources in subsequent fiscal years to restore the balance.

Flow Assumptions
When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned, then unassigned fund balance.

Note 5 - Stewardship, Compliance and Accountability

Budgetary Information
Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the General Fund; Crime Control and Prevention, Street Maintenance, Hotel/Motel Tax, Keep Corinth Beautiful, County Child Safety, Municipal Court Security, Municipal Court Technology, Police Confiscation - State, Parks Development, Community Park Improvement, Tree Mitigation, Roadway Impact Fee, Fire District, Broadband Utility, and Reinvestment Zone #2, special revenue funds; and the Debt Service fund. The capital projects funds are appropriated on a project-length basis. Other special revenue funds do not have appropriated budgets since other means control the use of these resources (i.e. grant awards and city council resolutions) and sometimes span a period of more than one fiscal year.

The appropriated budget is prepared by fund, functional department and division. Transfers of appropriations between divisions within a department may be initiated by staff and approved by the Director. Transfers between functional departments require the approval of the Director, Budget Manager, and Finance Director. Transfers between funds may require Council approval. All transfers of appropriations require the approval of the City Manager. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The City Manager may approve all budget amendments that alter department or operating appropriations. Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments).

Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget.

Note 6 - Detailed Notes on All Funds

Cash and Investments

Custodial Credit Risk. Cash deposits of the City and CEDC at September 30, 2021, were entirely secured by FDIC insurance and pledged collateral held by the City's agent bank.

State statutes authorize the City to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) Texas local government investment pools; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (5) certificates of deposit by state and national banks domiciled in this state that are (a) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or (b) secured by obligations that are described by (1) – (4); (6) and reverse repurchase agreements not to exceed 90 days to stated maturity.

Following are the City's investments at September 30, 2021, including classification by level, within the fair value hierarchy:

Primary Government

Investment Pools	Reported Value	Level	S&P Rating	Weighted Average Maturity	Withdrawal or Liquidity Restrictions
TexSTAR	$ 23,263,183	N/A	AAAm	< 60 days	None

				Investment Maturity in Years		
Other Investments				Less than 1 Year	1 - 5	More than 5 Years
U.S. Government Backed Securities	18,003,367	Level 2	AA+	$ 2,000,256	$ 16,003,111	$ -
Total Investments	$ 41,266,550			$ 2,000,256	$ 16,003,111	$ -

CEDC

Investment Pools	Reported Value	Level	S&P Rating	Weighted Average Maturity	Withdrawal or Liquidity Restrictions
TexPool	$ 327	N/A	AAAm	< 60 days	None

				Investment Maturity in Years		
Other Investments				Less than 1 Year	1 - 5	More than 5 Years
Money market	451,362	Level 1	N/A	$ 451,362	$ -	$ -
Total Investments	$ 451,689			$ 451,362	$ -	$ -

Under the TexPool Participation Agreement, administrative and investment services to TexPool are provided by Federated Investors, Inc. through an agreement with the State of Texas Comptroller of Public Accounts. The State Comptroller is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company authorized to operate TexPool. TexPool is subject to annual review by an independent auditor consistent with the Public Funds Investment Act. Audited financial statements of the Pool are available at First Public, 12008 Research Blvd., Austin, Texas 78759. In addition, TexPool is subject to review by the State Auditor's Office and by the Internal Auditor of the Comptroller's Office.

The Texas Short Term Asset Reserve Program (TexSTAR) has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. These two acts provide for the creation of public funds investment pools (including TexSTAR) and authorize eligible governmental entities to invest their public funds through the investment pools.

TexSTAR is administered by JP Morgan Investment Management, Inc. and First Southwest and is rated AAAm by Standard and Poor's.

Interest Rate Risk. In accordance with its investment policy, the City manages its exposure to decline in fair value of securities by limiting the City to securities with maturities not to exceed 36 months from date of purchase. The City also manages the weighted average days to maturity for the operating funds portfolio to less than 270 days, and the reserve, special project and capital project funds to less than 365 days. The CEDC limits weighted average days to maturity for the operating funds portfolio to less than 270 days.

The City and CEDC invest in the public funds investment pools listed above, which have specified maximum weighted average maturities for their investment portfolios. The maximum weighted average maturity (WAM) of TexPool investment portfolios cannot exceed 60 days. TexSTAR also maintains a portfolio maximum WAM of 60 days.

Credit Risk. State law and City policy limit investments in local government investment pools to those rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service. As of September 30, 2021, the City's investments in TexPool and TexSTAR were both rated AAAm by Standard & Poor's.

Concentration of Credit Risk. The City's investment policy limits the investment portfolio by the following:

Investment	Maximum % of Portfolio
U.S. Treasury Obligations	100%
U.S. Government Agency Securities and Instrumentalities	100%
Authorized Local Government Investment Pool	50%
Local Government Obligations	10%
Fully Collateralized Certificates of Deposit	50%
Fully Collateralized Repurchase Agreements	25%
SEC-Regulated No-Load Money Market Mutual Fund	50%
U.S. Treasury and Agency Callables	30%

Capital Assets

A summary of changes in capital assets follows:

	Beginning Balance	Additions	Transfers	Retirements	Ending Balance
Governmental activities					
Capital assets, not being depreciated					
Land	$ 7,539,903	$ 3,824,078	$ -	$ -	$ 11,363,981
Construction in progress	6,537,743	2,047,492	(8,110,035)	-	475,200
Total assets not being depreciated	14,077,646	5,871,570	(8,110,035)	-	11,839,181
Capital assets, being depreciated:					
Buildings	17,499,598	44,665	-	5,544	17,538,719
Machinery and equipment	12,159,695	836,865	50,199	540,708	12,506,051
Infrastructure	98,066,096	516,429	8,059,836	-	106,642,361
Total capital assets being depreciated	127,725,389	1,397,959	8,110,035	546,252	136,687,131
Less accumulated depreciation					
Buildings	3,712,699	503,906	-	5,544	4,211,061
Machinery and equipment	7,417,816	1,345,249	-	534,223	8,228,842
Infrastructure	73,593,121	3,159,573	-	-	76,752,694
Total accumulated depreciation	84,723,636	5,008,728	-	539,767	89,192,597
Total capital assets being depreciated, net	43,001,753	(3,610,769)	8,110,035	6,485	47,494,534
Governmental activities capital assets, net	$ 57,079,399	$ 2,260,801	$ -	$ 6,485	$ 59,333,715

	Beginning Balance	Additions	Transfers	Retirements	Ending Balance
Business-type activities					
Capital assets, not being depreciated					
Land	$ 534,004	$ 4,346	$ -	$ -	$ 538,350
Construction in progress	534,454	99,905	(42,844)	-	591,515
Total assets not being depreciated	1,068,458	104,251	(42,844)	-	1,129,865
Capital assets, being depreciated:					
Buildings	1,760,933	-	-	3,018	1,757,915
Machinery and equipment	1,665,321	149,763	42,844	188,535	1,669,393
Infrastructure	52,150,982	694,123	-	25,481	52,819,624
Total capital assets being depreciated	55,577,236	843,886	42,844	217,034	56,246,932
Less accumulated depreciation					
Buildings	249,855	84,225	-	3,018	331,062
Machinery and equipment	1,261,720	132,420	-	185,001	1,209,139
Infrastructure	24,265,103	2,202,298	-	25,481	26,441,920
Total accumulated depreciation	25,776,678	2,418,943	-	213,500	27,982,121
Total capital assets being depreciated, net	29,800,558	(1,575,057)	42,844	3,534	28,264,811
Business activities capital assets, net	$ 30,869,016	$ (1,470,806)	$ -	$ 3,534	$ 29,394,676

	Beginning Balance	Additions	Transfers	Retirements	Ending Balance
CEDC					
Capital assets, not being depreciated					
Land	$ 2,954,666	$ 1,998,171	$ -	$ 639,489	$ 4,313,348
Total assets not being depreciated	2,954,666	1,998,171	-	639,489	4,313,348
CEDC capital assets, net	$ 2,954,666	$ 1,998,171	$ -	$ 639,489	$ 4,313,348

	Beginning Balance	Additions	Transfers	Retirements	Ending Balance
CEDF					
Capital assets, not being depreciated					
Land	$ -	$ 2,854,543	$ -	$ 798,161	$ 2,056,382
Total assets not being depreciated	-	2,854,543	-	798,161	2,056,382
CEDF capital assets, net	$ -	$ 2,854,543	$ -	$ 798,161	$ 2,056,382

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities	
Public safety	$ 1,094,540
Community services	433,760
Public works	3,197,536
Planning and community development	18,379
City administration	263,963
Finance and administrative services	550
Total depreciation expense - Governmental activities	$ 5,008,728
Business-type activities	
Water and sewer	$ 2,072,840
Storm drainage	346,103
Total depreciation expense - Business-type activities	$ 2,418,943

Interfund Transfers

The composition of interfund transfers in/out as of September 30, 2021, is as follows:

Fund	Transfers In	Transfers Out	Purpose
General	$ 1,119,266	$ 1,416,243	Administrative Transfer, Contributions to Vehicle and Equipment Replacement
Debt Service	6,731	64,337	Administrative Transfer
2019 CO Street	1,267,236	-	Capital Projects Reallocation
2020 CO	-	3,508	Administrative Transfer
COVID CARES Act	-	34,590	Administrative Transfer
Other Governmental	1,183,083	500,000	Contributions to Capital Projects/Budgetary Transfers
Water and Sewer	2,117,140	2,799,080	Administrative Transfer, Capital Improvements, Contributions to Vehicle and Equipment Replacement
Storm Drainage	109,831	204,221	Administrative Transfer, Capital Improvements, Contributions to Vehicle and Equipment Replacement
	5,803,287	5,021,979	
	-	781,308	Transfer of bonds payable and premium from Water and Sewer to governmental activities
	$ 5,803,287	$ 5,803,287	

Long-term Obligations

Long-term obligations of the City's governmental activities consist of general obligation bonds and certificates of obligation. Sources of retirement of general obligation bond and certificates of obligation are provided from ad valorem tax. Governmental activities long-term obligations are paid by the debt service fund.

Long-term obligations of the City's business-type activities consist of general obligation bonds and certificates of obligation. Business-type activities long-term obligations are serviced by revenue from the Water and Sewer and Storm Drainage systems.

Compensated absences, net pension liability and total OPEB liability are paid from the fund out of which an employee is regularly paid, primarily the General Fund, Water and Sewer Fund, Storm Drainage Fund and CEDC.

Governmental activity capital lease payments are currently being made from the LCFD Vehicle and Equipment Replacement Fund.

The following is a summary of changes in long-term obligations for the year ended September 30, 2021:

	Beginning Balance	Transfers/ Additions	Retirements	Ending Balance	Due Within One Year
Governmental activities					
Certificates of obligation	$ 29,294,538	$ 14,767,236	$ (647,878)	$ 43,413,896	$ 1,757,502
General obligation bonds	4,424,982	-	(595,310)	3,829,672	560,154
Bond premiums/discounts (net)	2,700,861	1,062,982	(277,311)	3,486,532	277,311
Compensated absences	1,379,994	1,448,794	(1,425,963)	1,402,825	760,049
Capital lease obligation	2,085,345	533,120	(472,737)	2,145,728	605,830
Total governmental activities	$ 39,885,720	$ 17,812,132	$ (3,419,199)	$ 54,278,653	$ 3,960,846
Business-type activities					
Certificates of obligation	$ 7,515,464	$ (767,236)	$ (117,124)	$ 6,631,104	$ 282,499
General obligation bonds	5,015,020	-	(674,688)	4,340,332	634,846
Bond premiums/discounts (net)	1,217,220	(14,072)	(140,417)	1,062,731	140,418
Compensated absences	152,638	178,572	(229,552)	101,658	79,392
Capital lease obligation	151,982	129,893	(64,337)	217,538	69,892
Total business type activities	14,052,324	(472,843)	(1,226,118)	12,353,363	1,207,047
Primary government	$ 53,938,044	$ 17,339,289	$ (4,645,317)	$ 66,632,016	$ 5,167,893
CEDC					
Compensated absences	$ 14,648	$ 15,508	$ (24,811)	$ 5,345	$ 5,345
	$ 14,648	$ 15,508	$ (24,811)	$ 5,345	$ 5,345

The following is a schedule of the General Obligation and Certificates of Obligation bonds:

	Date of Issue	Amount of Original Issue	Interest Rate	Maturity Date	Governmental Amount Outstanding 9/30/2021	Business Type Amount Outstanding 9/30/2021
Certificates of Obligation	4/21/2016	$ 13,275,000	2.00%-5.00%	2/15/2036	$ 11,099,991	$ 1,205,009
General Obligation	7/6/2017	14,240,000	2.00%-5.00%	2/15/2027	3,829,672	4,340,332
Certificates of Obligation	7/6/2017	4,855,000	2.00%-5.00%	2/15/2037	3,133,866	1,401,134
Certificates of Obligation	3/7/2019	19,205,000	2.75%-5.00%	2/15/2039	15,180,039	4,024,961
Certificates of Obligation	10/22/2020	9,260,000	2.00%-4.00%	2/15/2040	9,260,000	-
Certificates of Obligation	1/21/2021	4,740,000	1.70%-4.00%	2/15/2041	4,740,000	-
					$ 47,243,568	$ 10,971,436

The annual requirements to retire general long-term debt, including interest, as of September 30, 2021 are as follows:

Fiscal Year	Principal	Interest	Total Requirements
2022	$ 2,317,656	$ 1,701,787	$ 4,019,443
2023	2,483,963	1,532,961	4,016,924
2024	2,590,998	1,423,555	4,014,553
2025	2,697,544	1,319,683	4,017,227
2026	2,806,746	1,207,424	4,014,170
2027-2031	12,818,532	4,289,180	17,107,712
2032-2036	14,361,529	2,020,577	16,382,106
2037-2041	7,166,600	3,181,197	10,347,797
Total	$ 47,243,568	$ 16,676,364	$ 63,919,932

The annual requirements to retire enterprise activity debt, including interest, as of September 30, 2021 are as follows:

Fiscal Year	Principal	Interest	Total Requirements
2022	$ 917,345	$ 443,387	$ 1,360,732
2023	961,037	397,886	1,358,923
2024	1,009,002	351,573	1,360,575
2025	1,057,456	305,213	1,362,669
2026	1,103,254	255,953	1,359,207
2027-2031	2,691,468	760,789	3,452,257
2032-2036	2,263,471	353,367	2,616,838
2037-2039	968,403	45,164	1,013,567
Total	$ 10,971,436	$ 2,913,332	$ 13,884,768

Capital Leases Payable

The City leases various equipment under capital lease. Related amortization expense is included in depreciation expense. The following is an analysis of the leased assets included in capital assets at September 30, 2021:

Equipment	$ 4,469,700
Less accumulated depreciation	(2,021,775)
Net value	$ 2,447,925

The following is a schedule of future minimum payments required under the leases with its present value as of September 30, 2021:

Year Ending	
2022	$ 756,665
2023	692,943
2024	430,687
2025	326,360
2026	224,099
2027-2028	130,149
Total minimum lease payments	2,560,903
Less amount representing interest	(197,637)
Present value of minimum lease payments	$ 2,363,266

Note 7 - Defined Benefit Pension Plan

Plan Description

The City participates as one of 888 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The plan provisions are adopted by the governing body of each city, within the options available in the state statutes governing TMRS. The City has elected that members can retire at age 60 and above with 5 or more years of service or with 20 years of service regardless of age. Members may work for more than one TMRS city during their career. If a member is vested in one TMRS city, he or she is immediately vested upon employment with another TMRS city. Similarly, once a member has met the eligibility requirements for retirement in a TMRS city, he or she is eligible in other TMRS cities as well.

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	95
Inactive employees entitled to but not yet receiving benefits	139
Active employees	160
Total	394

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 15.34% and 15.45% in calendar years 2020 and 2021, respectively. The City's contributions to TMRS for the year ended September 30, 2021, were $1,858,514, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2020, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial assumptions: The Total Pension Liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%	per year
Overall payroll growth	2.65%	per year
Investment rate of return	6.75%	net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4- year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.00%	5.30%
Core Fixed Income	10.00%	1.25%
Non-Core Fixed Income	20.00%	4.14%
Real Return	10.00%	3.85%
Real Estate	10.00%	4.00%
Absolute Return	10.00%	3.48%
Private Equity	10.00%	7.75%
Total	100.00%	

Discount Rate: The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
Entity-Wide	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
Balance at 12/31/2019	$ 45,534,339	$ 39,926,174	$ 5,608,165
Changes for the year:			
Service cost	2,139,635	-	2,139,635
Interest	3,106,077	-	3,106,077
Change in benefit terms	-	-	-
Difference between expected and actual experience	(308,779)	-	(308,779)
Change in assumptions	-	-	-
Contributions - employer	-	1,838,580	(1,838,580)
Contributions - employee	-	812,683	(812,683)
Net investment income	-	3,035,308	(3,035,308)
Benefit payments, including refunds of contributions	(1,176,404)	(1,176,404)	-
Administrative expense	-	(19,611)	19,611
Other changes	-	(765)	765
Net changes	3,760,529	4,489,791	(729,262)
Balance at 12/31/2020	$ 49,294,868	$ 44,415,965	$ 4,878,903

Primary Government	Increase (Decrease) Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
Balance at 12/31/2019	$ 45,043,173	$ 39,498,657	$ 5,544,516
Changes for the year:			
Service cost	2,114,877	-	2,114,877
Interest	3,070,136	-	3,070,136
Change in benefit terms	-	-	-
Difference between expected and actual experience	(305,206)	-	(305,206)
Change in assumptions	-	-	-
Contributions - employer	-	1,817,306	(1,817,306)
Contributions - employee	-	803,279	(803,279)
Net investment income	-	3,000,031	(3,000,031)
Benefit payments, including refunds of contributions	(1,162,792)	(1,162,792)	-
Administrative expense	-	(19,384)	19,384
Other changes	-	642	(642)
Net changes	3,717,015	4,439,082	(722,067)
Balance at 12/31/2020	$ 48,760,188	$ 43,937,739	$ 4,822,449

CEDC	Increase (Decrease) Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
Balance at 12/31/2019	$ 491,166	$ 427,517	$ 63,649
Changes for the year:			
Service cost	24,758	-	24,758
Interest	35,941	-	35,941
Change in benefit terms	-	-	-
Difference between expected and actual experience	(3,573)	-	(3,573)
Change in assumptions	-	-	-
Contributions - employer	-	21,274	(21,274)
Contributions - employee	-	9,404	(9,404)
Net investment income	-	35,277	(35,277)
Benefit payments, including refunds of contributions	(13,612)	(13,612)	-
Administrative expense	-	(227)	227
Other changes	-	(1,407)	1,407
Net changes	43,514	50,709	(7,195)
Balance at 12/31/2020	$ 534,680	$ 478,226	$ 56,454

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the City, calculated using the discount rate of 6.75% as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability (asset)	$ 13,439,129	$ 4,878,903	$ (1,988,011)
Reported by Governmental Activities	11,699,852	4,247,481	(1,730,725)
Reported by Business-Type Activities	1,583,772	574,968	(234,283)
Reported by Component Unit, CEDC	155,505	56,454	(23,003)
	$ 13,439,129	$ 4,878,903	$ (1,988,011)

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2021, the City recognized pension expense of $1,115,567.

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Entity-Wide		Primary Government		CEDC	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 33,228	$ 469,740	$ 32,603	$ 464,452	$ 625	$ 5,288
Changes in actuarial assumptions	101,071	-	99,902	-	1,169	-
Difference between projected and actual investment earnings	-	1,121,783	-	1,110,362	-	11,421
Contributions subsequent to the measurement date	1,347,821	-	1,332,225	-	15,596	-
Total	$ 1,482,120	$ 1,591,523	$ 1,464,730	$ 1,574,814	$ 17,390	$ 16,709

$1,347,821 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30:	Entity-Wide	Primary Govt	CEDC
2022	$ (611,343)	$ (605,086)	$ (6,257)
2023	(50,116)	(49,603)	(513)
2024	(726,171)	(718,738)	(7,433)
2025	(69,594)	(68,882)	(712)
	$ (1,457,224)	$ (1,442,309)	$ (14,915)

Note 8 - Other Post Employment Benefits

Plan Description

The City also participates in a single employer, defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage (Supplemental Death Benefits) for their active members, including or not including retirees.

Benefits Provided

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit (OPEB) and is a fixed amount of $7,500. As the SDBF covers both active and retiree employees, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan. Texas Local Government Code Section 177.001 assigns the authority to establish and amend benefit provisions to the City Council. At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	59
Inactive employees entitled to but not yet receiving benefits	27
Active employees	160
Total	246

Contributions

The City contributes to the SDBF program at a contractually required rate. An annual actuarial valuation is performed, and the contractual rate is equal to the cost of providing one-year term life insurance. The premium rate is expressed as a percentage of the covered payroll of members employed by the participating employer. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect.

The SDBF program is voluntary and employers can cease participation by adopting an ordinance before November 1 of any year to be effective the following January 1. Therefore, the funding policy of the program is to ensure that adequate resources are available to meet all insurance benefit payments for the upcoming year. It is not the intent of the funding policy to pre-fund retiree term life insurance during employees' entire careers. The City's contribution, which equaled the required contribution, was as follows for the year ended September 30:

	2021
Employer rate	0.15%
Employer contributions	$ 16,937

Actuarial Assumptions

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5%
Salary increases	3.50% to 11.50%, including inflation
Discount rate	2.00%

Mortality rates for service retirees were based on the 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.

Mortality rates for disabled retirees were based on the 2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

Actuarial assumptions used in the December 31, 2020 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2014 through December 31, 2018.

The SDBF program is treated as an unfunded OPEB plan because the SDBF trust covers both actives and retirees and the assets are not segregated for these groups. A discount rate of 2.00% was based on the Fidelity Index's 20-Year Municipal GO AA Index as of December 31, 2020.

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At September 30, 2021, the City reported a total OPEB liability of $510,714 measured at December 31, 2020. For the year ended September 30, 2021, the City recognized OPEB expense of $62,710.

As of December 31, 2020, the discount rate used in the development of the total OPEB liability was 2.00% compared to 2.75% as of December 31, 2019.

Changes in the total OPEB liability for the measurement year ended December 31, 2020 are as follows:

	Total OPEB Liability		
Changes in Total OPEB Liability	Entity-Wide	Primary Government	CEDC
Balance at December 31, 2019	$ 416,633	$ 412,067	$ 4,566
Changes for the year:			
Service cost	33,504	33,144	360
Interest on total OPEB liability	11,886	11,758	128
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(25,772)	(25,495)	(277)
Effect of assumption changes or inputs	76,774	76,032	742
Benefit payments*	(2,311)	(2,286)	(25)
Balance as of December 31, 2020	$ 510,714	$ 505,220	$ 5,494

*Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Discount Rate Sensitivity Analysis

The following presents the total OPEB liability of the City, calculated using the discount rate of 2.00%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.00%) or 1 percentage point higher (3.00%) than the current rate.

	1% Decrease in Discount Rate (1.00%)	Discount Rate (2.00%)	1% Increase in Discount Rate (3.00%)
City's total OPEB liability	$ 642,115	$ 510,714	$ 411,630
Reported by Governmental Activities	560,763	446,010	359,479
Reported by Business-Type Activities	74,444	59,210	47,723
Reported by Component Unit, CEDC	6,908	5,494	4,428
	$ 642,115	$ 510,714	$ 411,630

At December 31, 2020, the City reported its deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Entity-Wide		Primary Government		CEDC	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 13,988	$ 51,180	$ 13,838	$ 50,629	$ 150	$ 551
Changes in actuarial assumptions	128,739	15,297	127,409	15,151	1,330	146
Contributions subsequent to the measurement date	12,755	-	12,618	-	137	-
Total	$ 155,482	$ 66,477	$ 153,865	$ 65,780	$ 1,617	$ 697

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ended September 30, 2022 in the amount of $12,755. The other net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB, excluding contributions made subsequent to the measurement date, will be recognized in OPEB expense as follows:

Year Ended September 30:	Entity-Wide	Primary Govt	CEDC
2022	$ 17,320	$ 17,272	$ 48
2023	17,320	17,272	48
2024	15,794	15,746	48
2025	13,088	13,040	48
2026	9,762	9,714	48
Thereafter	2,966	2,934	32
	$ 76,250	$ 75,978	$ 272

Note 9 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City's risk management program encompasses obtaining workers compensation and property and liability insurance through Texas Municipal League (TML) Intergovernmental Risk Pool, a public entity risk pool for the benefit of governmental units located within the state. TML Intergovernmental Risk Pool ("Pool") is considered a self-sustaining risk pool that provides coverage for its members. The City's contributions to the Pool are limited to the amount of premiums as calculated at the beginning of each fund year. Premiums reflect the claims experience to date of the City. The Pool's liability is limited to the coverage that the City elects as stated in the Pool's Declarations of Coverage for that fund year. The City has not had any significant reduction in insurance coverage and the amounts of insurance settlements have not exceeded insurance coverage for any of the last three years.

Note 10 - Commitments and Contingencies

The City participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

Estimated costs to complete significant construction projects in progress at year-end totaled approximately $17,733,250.

The world-wide coronavirus pandemic has resulted in certain risk and uncertainties to the public in general and the City. The City is closely monitoring their operations, liquidity, and resources, and is actively working to minimize the current and future impact of this unprecedented situation.

Upper Trinity Regional Water District (UTRWD)

On November 13, 1990, the City entered into a 30-year contract with Upper Trinity Regional Water District (UTRWD) and other participating political members to develop a regional water system for providing retail utility service to the Denton County area.

The contract included, among other things, a commitment by the City to 2.0 million gallons of water per day demand. On February 4, 1999 the City amended the contract with Upper Trinity to increase the demand from 2.0 million gallons per day to 5.5 million gallons per day. On September 2, 1999, due to continued growth, the City entered into the third contract amendment with Upper Trinity increasing the demand to 7.5 million gallons per day. The City also currently maintains a contract with the Upper Trinity Regional Water District for treatment of wastewater flows up to 1.608 million gallons per day.

The current demand capacity of 7.5 million gallons per day provides the City with three (3) weighted votes as a member of the Upper Trinity Board. The City has one appointed member to the Upper Trinity Board of Directors and one appointed member to the Upper Trinity Customer Advisory Committee. Under agreements with the UTRWD, all participating and contract entities share in the cost of administering the District and in the cost of planning for future programs and services of the District.

REQUIRED SUPPLEMENTARY INFORMATION

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Property	$ 10,863,179	$ 10,863,179	$ 10,620,141	$ (243,038)
Sales	1,613,127	1,613,127	1,956,672	343,545
Franchise	1,040,370	1,040,370	940,178	(100,192)
Utility fees	26,500	26,500	157,634	131,134
Traffic fines and forfeitures	679,858	679,858	598,444	(81,414)
Development fees and permits	454,334	454,334	494,682	40,348
Police fees and permits	294,338	294,338	551,213	256,875
Parks and recreation fees	145,240	145,240	63,095	(82,145)
Fire services	2,656,034	2,656,034	2,677,496	21,462
Donations	-	-	1,000	1,000
Interest income	118,121	118,121	23,572	(94,549)
Grants	310,740	310,740	358,943	48,203
Miscellaneous income	45,123	45,123	54,989	9,866
Charges for services	436,552	436,552	176,700	(259,852)
Total revenues	18,683,516	18,683,516	18,674,759	(8,757)
Expenditures				
Current				
Public safety	11,365,454	11,370,572	11,005,110	365,462
Community services	1,894,212	1,804,528	1,603,641	200,887
Public works	883,050	883,050	807,577	75,473
Planning and community development	1,134,078	1,100,592	939,645	160,947
City administration	2,305,683	5,523,921	5,069,966	453,955
Finance and administrative services	1,377,874	1,387,604	1,015,624	371,980
Total expenditures	18,960,351	22,070,267	20,441,563	1,628,704
Excess (Deficiency) of Revenues over (under) Expenditures	(276,835)	(3,386,751)	(1,766,804)	1,619,947
Other Financing Sources (Uses)				
Transfers out	(1,301,559)	(1,391,243)	(1,416,243)	(25,000)
Transfers in	1,084,676	1,084,676	1,119,266	34,590
Total Financing Sources (Uses)	(216,883)	(306,567)	(296,977)	9,590
Net Change in Fund Balance	(493,718)	(3,693,318)	(2,063,781)	1,629,537
Fund Balance - October 1 (Beginning)	6,421,876	6,421,876	6,421,876	-
Fund Balance - September 30 (Ending)	$ 5,928,158	$ 2,728,558	$ 4,358,095	$ 1,629,537

City of Corinth, Texas
Schedule of Changes in Net Pension Liability and Related Ratios –
Texas Municipal Retirement System (Exhibit B-2)
Year Ended September 30, 2021

	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014
Total Pension Liability							
Service cost	$ 2,139,635	$ 1,974,459	$ 1,740,727	$ 1,674,666	$ 1,636,649	$ 1,614,486	$ 1,444,400
Interest on total pension liability	3,106,077	2,830,658	2,631,469	2,468,757	2,244,189	2,163,512	1,994,674
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	(308,779)	51,976	(461,003)	(628,235)	409,560	(356,486)	(293,384)
Change of assumptions	-	202,141	-	-	-	(252,429)	-
Benefit payments/refunds of contributions	(1,176,404)	(946,673)	(1,207,565)	(1,067,764)	(897,171)	(783,303)	(854,227)
Net change in total pension liability	3,760,529	4,112,561	2,703,628	2,447,424	3,393,227	2,385,780	2,291,463
Total pension liability, beginning	45,534,339	41,421,778	38,718,150	36,270,726	32,877,499	30,491,719	28,200,256
Total pension liability, ending (a)	$ 49,294,868	$ 45,534,339	$ 41,421,778	$ 38,718,150	$ 36,270,726	$ 32,877,499	$ 30,491,719
Fiduciary Net Position							
Contributions - Employer	$ 1,838,580	$ 1,708,397	$ 1,521,211	$ 1,412,999	$ 1,372,064	$ 1,415,503	$ 1,209,444
Contributions - Employee	812,683	754,021	673,954	642,690	650,021	648,976	604,376
Net investment income	3,035,308	5,153,390	(999,066)	3,942,063	1,730,262	35,841	1,263,034
Benefit payments/refunds of contributions	(1,176,404)	(946,673)	(1,207,565)	(1,067,764)	(897,171)	(783,303)	(854,227)
Administrative expenses	(19,611)	(29,078)	(19,289)	(20,406)	(19,521)	(21,823)	(13,183)
Other	(765)	(874)	(1,008)	(1,034)	(1,052)	(1,078)	(1,084)
Net change in fiduciary net position	4,489,791	6,639,183	(31,763)	4,908,548	2,834,603	1,294,116	2,208,360
Fiduciary net position, beginning	39,926,174	33,286,991	33,318,754	28,410,206	25,575,603	24,281,487	22,073,127
Fiduciary net position, ending (b)	$ 44,415,965	$ 39,926,174	$ 33,286,991	$ 33,318,754	$ 28,410,206	$ 25,575,603	$ 24,281,487
Net pension liability (asset), ending = (a) - (b)	4,878,903	5,608,165	8,134,787	5,399,396	7,860,520	7,301,896	6,210,232
Fiduciary net position as a percentage of total pension liability	90.10%	87.68%	80.36%	86.05%	78.33%	77.79%	79.63%
Covered payroll	$ 11,553,105	$ 10,771,734	$ 9,627,913	$ 9,181,285	$ 8,967,939	$ 9,252,068	$ 8,633,945
Net pension liability as a percentage of covered payroll	42.23%	52.06%	84.49%	58.81%	87.65%	78.92%	71.93%

Note: The information from this schedule corresponds with the period covered as of the Plan's measurement dates of December 31. Plan information was unavailable prior to 2014. Ten years will ultimately be displayed.

Year Ending September 30,	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2014	$ 1,188,806	$ 1,188,806	$ -	$ 8,633,945	13.77%
2015	1,326,450	1,326,450	-	8,806,738	15.06%
2016	1,380,260	1,380,260	-	9,118,563	15.14%
2017	1,400,433	1,400,433	-	8,994,707	15.57%
2018	1,489,711	1,489,711	-	9,428,968	15.80%
2019	1,661,825	1,661,825	-	10,402,206	15.98%
2020	1,842,075	1,842,075	-	11,512,971	16.00%
2021	1,858,514	1,858,514	-	11,721,580	15.86%

Note: The information from this schedule corresponds with the City's fiscal years ended September 30. Plan information was unavailable prior to 2014. Ten years will ultimately be displayed.

City of Corinth, Texas
Schedule of Changes in Total OPEB Liability and Related Ratios –
Supplemental Death Benefits Plan (Exhibit B-4)
Year Ended September 30, 2021

	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018	Year Ended December 31, 2017
Total OPEB Liability				
Service cost	$ 33,504	$ 22,621	$ 22,144	$ 18,363
Interest on total OPEB liability	11,886	13,334	10,940	10,314
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(25,772)	(43,060)	25,487	-
Change of assumptions	76,774	76,718	(27,870)	28,959
Benefit payments	(2,311)	(2,154)	(1,926)	(1,836)
Net change in total OPEB liability	94,081	67,459	28,775	55,800
Total OPEB liability, beginning	416,633	349,174	320,399	264,599
Total OPEB liability, ending	$ 510,714	$ 416,633	$ 349,174	$ 320,399
Covered payroll	$ 11,553,105	$ 10,771,734	$ 9,627,913	$ 9,181,285
Total OPEB liability as a percentage of covered payroll	4.42%	3.87%	3.63%	3.49%

Note: The information from this schedule corresponds with the period covered as of the Plan's measurement dates of December 31. Plan information was unavailable prior to 2017. Ten years will ultimately be displayed.

No assets are accumulated in a trust as defined by GASB 75. Benefits are on a pay as you go basis.

Note A: Net Pension Liability – Texas Municipal Retirement System

Assumptions

The following methods and assumptions were used to determine contribution rates:

Valuation date	Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	24 years
Asset valuation method	10-year smoothed market; 12% soft corridor
Inflation	2.50%
Salary increases	3.50% to 11.50%, including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 – 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Notes:

There were no benefit changes during the year.

Note B: Total OPEB Liability – Texas Municipal Retirement System

Summary of actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.50%
Discount rate*	2.00%
Salary increases	3.50% to 11.50%, including inflation
Retirees' share- benefit-related costs	$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rate- service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rate- disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions used in the December 31 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

* The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" as of December 31, 2020.

Note C: Budgetary Process

The official budget was prepared for adoption for the General Fund. The following procedures are followed in establishing the budgetary data reflected in the required supplementary information:

a. Prior to the beginning of the fiscal year, the City prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
b. A meeting of the City Council is then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must have been given.
c. Prior to the start of the fiscal year, the budget is legally enacted through passage of a resolution by the City Council.
d. Once a budget is approved, it can be amended only by approval of a majority of the members of the City Council.
e. As required by law, such amendments are made before the fact, are reflected in the official minutes of the City Council and are not made after fiscal year end.
f. All budget amendments received appropriate approval.
g. All budget appropriations lapse at year end.

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Nonmajor Governmental Funds

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for a particular purpose.

- The Crime Control and Prevention District Fund is the blended component unit described previously. All revenues and expenditures related to the $.0025 sales tax are recorded in this fund.
- The Street Maintenance Fund was established on January 1, 2005, and special election was held on September 11, 2004, for the purpose of receiving funding from a portion of the City's sales tax. The city elected to allow the Street Maintenance Sales Tax to lapse in December 2020.
- Hotel-Motel Tax Fund accounts for hotel-motel tax collected and used to enhance and promote tourism.
- The Keep Corinth Beautiful Fund was created to account for the donations, contributions and payments associated with beautification programs within the city.
- County Child Safety Fund was created by State Statute to account for the funds used for school crossing guard services and programs designed to enhance child safety, health or nutrition.
- Municipal Court Security Fund is used to account for funds restricted to provide security enhancements for the Municipal Court.
- Municipal Court Technology Fund is used to accounts for funds restricted to provide technological enhancements for the Municipal Court.
- Police Confiscation (State) Fund was created by State Statute and funds are restricted for law enforcement programs.
- The Parks Development Fund was established to account for donations, contributions and payments associated with various park programs.
- The Community Park Improvement Fund accounts for funds collected from the City's Co-Sponsorship Athletic Leagues and funds are restricted for improvements to the Community Park.
- Tree Mitigation Fund was created by City Ordinance to account for payment by City Developers in lieu of adhering to the City's tree mitigation program.
- The Roadway Impact Fee Fund is used to account for the receipt and expenditure of roadway impact fees as required by the State of Texas Local Government Code Section 395.
- The Special Revenue accounts for Risk/Insurance Claims, Police Leose, Police Donations, Fire Donations, Short-term vehicle tax and Community Relations.
- Fire District is funded by adopting a $.0025 sales tax that allows the City to provide the citizens with professional and efficient fire services.
- Broadband was formally created by the Council in August 2020 in anticipation of creating a City owned broadband utility.
- Reinvestment Zone #2 Fund is used to dedicate 50 percent of the tax increment as authorized by Chapter 311 of the Texas Tax Code to fund development and redevelopment of properties near Interstate Highway 35E corridor.

Capital projects funds account for the acquisition and construction of the City's major capital facilities, (other than those financed by proprietary funds) and vehicle replacement funds.

- The Government Capital Projects Fund is used to account for funds and expenditures related to capital projects.
- The Vehicle Replacement Fund is used to account for funds and expenditures related to future vehicle replacements.
- The LCFD Vehicle and Equipment Replacement Fund is used to account for funds and expenditures for replacement of vehicles and equipment for the Lake Cities Fire Department.
- Technology Equipment Replacement Fund is used to account for funds and expenditures for replacement of information technology equipment.
- The Street Escrow Fund is used to account for funds and expenditures for all capital projects not specifically identified and not in the proprietary or trust funds.
- 2016 GO Fund is used to account for the projects and funding associated with the Series 2016 General Obligation debt issue, a portion of which is dedicated to streets, infrastructure construction and improvements.
- 2017 CO Fund is used to account for the projects and funding associated with the Series 2017 Certificates of Obligation debt issue, a portion of which is dedicated to streets, infrastructure construction and improvements as well as acquiring, improving and equipping a new Public Safety Facility for the Police and Fire Departments. It also accounts for the renovation of a Public Works facility and the Lake Sharon Road Extension.
- General Public Property (Capital) is used to account for Lease Proceeds for capital project funds.
- Public Property LCFD is used to account for Lease Proceeds related to the fire department
- General Public Property (Special Revenue) is used to account for Lease Proceeds for special revenue funds.

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	$ 3,515,587	$ 3,228,070	$ 6,743,657
Investments	1,045,404	1,304,312	2,349,716
Receivables (net of allowance)			
Sales taxes	154,069	-	154,069
Interest	8	27	35
Miscellaneous	33,363	-	33,363
Total assets	$ 4,748,431	$ 4,532,409	$ 9,280,840
Liabilities			
Accounts payable	$ 2,450	$ 67,475	$ 69,925
Accrued liabilities	10,119	-	10,119
Other liabilities	697,880	-	697,880
Unearned revenue	21,231	-	21,231
Total liabilities	731,680	67,475	799,155
Fund Balances			
Restricted	3,643,921	940,599	4,584,520
Committed	372,830	3,524,335	3,897,165
Total fund balances	4,016,751	4,464,934	8,481,685
Total liabilities and fund balances	$ 4,748,431	$ 4,532,409	$ 9,280,840

City of Corinth, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –
Nonmajor Governmental Funds (Exhibit C-2)
Year Ended September 30, 2021

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Taxes			
Property	$ 54,786	$ -	$ 54,786
Sales	786,938	-	786,938
Hotel occupancy tax	77,878	-	77,878
Franchise	110,049	-	110,049
Vehicle	577	-	577
Escrow and impact fees	211,992	-	211,992
Traffic fines and forfeitures	34,579	-	34,579
Police fees and permits	26,832	-	26,832
Parks and recreation fees	147,283	-	147,283
Donations	72,789	952,222	1,025,011
Interest income	15,507	19,856	35,363
Miscellaneous income	22,764	164	22,928
Total revenues	1,561,974	972,242	2,534,216
Expenditures			
Current			
Public safety	225,180	139,463	364,643
Community services	61,534	-	61,534
Public works	6,205	79,413	85,618
Planning and community development	-	84,858	84,858
City administration	25,147	111,828	136,975
Finance and administrative services	7,390	-	7,390
Debt service			
Principal	-	239,718	239,718
Interest	-	40,458	40,458
Capital outlay	267,121	1,437,801	1,704,922
Total expenditures	592,577	2,133,539	2,726,116
Excess (Deficiency) of Revenues over (under) Expenditures	969,397	(1,161,297)	(191,900)
Other Financing Sources (Uses)			
Issuance of capital leases	-	533,120	533,120
Proceeds from sale of capital assets	-	206,211	206,211
Transfers out	(500,000)	-	(500,000)
Transfers in	52,500	1,130,583	1,183,083
Total Other Financing Sources (Uses)	(447,500)	1,869,914	1,422,414
Net Change in Fund Balance	521,897	708,617	1,230,514
Fund Balance - October 1 (Beginning)	3,494,854	3,756,317	7,251,171
Fund Balance - September 30 (Ending)	$ 4,016,751	$ 4,464,934	$ 8,481,685

	Crime Control & Prevention	Street Maintenance	Hotel Motel Tax
Assets			
Cash and cash equivalents	$ 701,220	$ 198,263	$ 269,491
Investments	-	1,045,404	-
Receivables (net of allowance)			
Sales taxes	80,190	-	-
Interest	-	-	-
Miscellaneous	-	-	8,604
Total assets	$ 781,410	$ 1,243,667	$ 278,095
Liabilities			
Accounts payable	$ 2,060	$ -	$ 176
Accrued liabilities	7,311	-	1,214
Other liabilities	-	-	-
Unearned revenue	-	-	-
Total liabilities	9,371	-	1,390
Fund Balances			
Restricted	772,039	1,243,667	276,705
Committed	-	-	-
Total fund balances	772,039	1,243,667	276,705
Total liabilities and fund balances	$ 781,410	$ 1,243,667	$ 278,095

Keep Corinth Beautiful	County Child Safety	Special Revenue	Municipal Court Security	Municipal Court Technology
$ 34,733	$ 14,755	$ 382,753	$ 113,620	$ 43,455
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	24,182	577	-	-
$ 34,733	$ 38,937	$ 383,330	$ 113,620	$ 43,455
$ -	$ 214	-	$ -	$ -
-	1,594	-	-	-
-	-	-	-	-
5,000	-	10,500	-	-
5,000	1,808	10,500	-	-
29,733	37,129	-	113,620	43,455
-	-	372,830	-	-
29,733	37,129	372,830	113,620	43,455
$ 34,733	$ 38,937	$ 383,330	$ 113,620	$ 43,455

(continued on the following page)

	Police Confiscation-State	Parks Development	Community Park Improvement
Assets			
Cash and cash equivalents	$ 18,289	$ 347,833	$ 9,425
Investments	-	-	-
Receivables (net of allowance)			
Sales taxes	-	-	-
Interest	-	-	-
Miscellaneous	-	-	-
Total assets	$ 18,289	$ 347,833	$ 9,425
Liabilities			
Accounts payable	$ -	$ -	$ -
Accrued liabilities	-	-	-
Other liabilities	6,722	-	-
Unearned revenue	-	-	-
Total liabilities	6,722	-	-
Fund Balances			
Restricted	11,567	347,833	9,425
Committed	-	-	-
Total fund balances	11,567	347,833	9,425
Total liabilities and fund balances	$ 18,289	$ 347,833	$ 9,425

Tree Mitigation	Roadway Impact Fee	Fire District	Broadband Utility	Reinvestment Zone #2	Total Nonmajor Special Revenue Funds
$ 401,305	$ 798,140	$ 107,042	$ 20,262	$ 55,001	$ 3,515,587
-	-	-	-	-	1,045,404
-	-	73,879	-	-	154,069
-	8	-	-	-	8
-	-	-	-	-	33,363
$ 401,305	$ 798,148	$ 180,921	$ 20,262	$ 55,001	$ 4,748,431
$ -	$ -	$ -	$ -	$ -	$ 2,450
-	-	-	-	-	10,119
-	691,158	-	-	-	697,880
-	-	-	5,731	-	21,231
-	691,158	-	5,731	-	731,680
401,305	106,990	180,921	14,531	55,001	3,643,921
-	-	-	-	-	372,830
401,305	106,990	180,921	14,531	55,001	4,016,751
$ 401,305	$ 798,148	$ 180,921	$ 20,262	$ 55,001	$ 4,748,431

(concluded)

	Crime Control & Prevention	Street Maintenance	Hotel Motel Tax
Revenues			
Taxes			
Property	$ -	$ -	$ -
Sales	449,291	123,115	-
Hotel occupancy tax	-	-	77,878
Franchise	-	-	-
Vehicle	-	-	-
Escrow and impact fees	-	-	-
Traffic fines & forfeitures	-	-	-
Police fees & permits	-	-	-
Parks & recreation fees	-	-	-
Donations	-	-	-
Interest income	2,872	1,230	1,178
Grants	-	-	-
Miscellaneous income	-	-	-
Total revenues	452,163	124,345	79,056
Expenditures			
Current			
Public safety	191,765	-	-
Community services	-	-	-
Public works	-	5,204	-
City administration	-	-	18,691
Finance and administrative services	-	-	-
Capital outlay	80,932	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Total expenditures	272,697	5,204	18,691
Excess (Deficiency) of Revenues over (under) Expenditures	179,466	119,141	60,365
Other Financing Sources (Uses)			
Transfers out	-	-	-
Transfers in	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balance	179,466	119,141	60,365
Fund Balance - October 1 (Beginning)	592,573	1,124,526	216,340
Fund Balance - September 30 (Ending)	$ 772,039	$ 1,243,667	$ 276,705

Keep Corinth Beautiful	County Child Safety	Special Revenue	Municipal Court Security	Municipal Court Technology
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	577	-	-
-	-	-	-	-
-	-	2,368	17,136	15,075
-	26,832	-	-	-
-	-	-	-	-
6,844	-	5,752	-	-
160	125	1,838	518	189
-	-	-	-	-
-	-	14,491	-	-
7,004	26,957	25,026	17,654	15,264
-	25,926	4,363	-	-
-	-	-	1,648	-
-	-	1,001	-	-
6,456	-	-	-	-
-	-	7,390	-	-
-	-	-	-	6,730
-	-	-	-	-
-	-	-	-	-
6,456	25,926	12,754	1,648	6,730
548	1,031	12,272	16,006	8,534
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
548	1,031	12,272	16,006	8,534
29,185	36,098	360,558	97,614	34,921
$ 29,733	$ 37,129	$ 372,830	$ 113,620	$ 43,455

(continued on the following page)

	Police Confiscation-State	Parks Development	Community Park Improvement
Revenues			
Taxes			
Property	$ -	$ -	$ -
Sales	-	-	-
Hotel occupancy tax	-	-	-
Franchise	-	-	-
Vehicle	-	-	-
Escrow and impact fees	-	-	-
Traffic fines & forfeitures	-	-	-
Police fees & permits	-	-	-
Parks & recreation fees	-	-	7,425
Donations	-	60,193	-
Interest income	70	1,662	97
Grants	-	-	-
Miscellaneous income	8,273	-	-
Total revenues	8,343	61,855	7,522
Expenditures			
Current			
Public safety	381	-	-
Community services	-	-	19,020
Public works	-	-	-
City administration	-	-	-
Finance and administrative services	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Total expenditures	381	-	19,020
Excess (Deficiency) of Revenues over Expenditures	7,962	61,855	(11,498)
Other Financing Sources (Uses)			
Transfers out	-	-	-
Transfers in	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balance	7,962	61,855	(11,498)
Fund Balance - October 1 (Beginning)	3,605	285,978	20,923
Fund Balance - September 30 (Ending)	$ 11,567	$ 347,833	$ 9,425

City of Corinth, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds (Exhibit C-4)
Year Ended September 30, 2021

Tree Mitigation	Roadway Impact Fee	Fire District	Broadband Utility	Reinvestment Zone #2	Total Nonmajor Special Revenue Funds
$ -	$ -	$ -	$ -	$ 54,786	$ 54,786
-	-	214,532	-	-	786,938
-	-	-	-	-	77,878
-	-	-	110,049	-	110,049
-	-	-	-	-	577
-	211,992	-	-	-	211,992
-	-	-	-	-	34,579
-	-	-	-	-	26,832
139,858	-	-	-	-	147,283
-	-	-	-	-	72,789
1,509	3,269	100	475	215	15,507
-	-	-	-	-	-
-	-	-	-	-	22,764
141,367	215,261	214,632	110,524	55,001	1,561,974
-	-	2,745	-	-	225,180
40,866	-	-	-	-	61,534
-	-	-	-	-	6,205
-	-	-	-	-	25,147
-	-	-	-	-	7,390
-	-	30,966	148,493	-	267,121
-	-	-	-	-	-
-	-	-	-	-	-
40,866	-	33,711	148,493	-	592,577
100,501	215,261	180,921	(37,969)	55,001	969,397
-	(500,000)	-	-	-	(500,000)
-	-	-	52,500	-	52,500
-	(500,000)	-	52,500	-	(447,500)
100,501	(284,739)	180,921	14,531	55,001	521,897
300,804	391,729	-	-	-	3,494,854
$ 401,305	$ 106,990	$ 180,921	$ 14,531	$ 55,001	$ 4,016,751

(concluded)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Sales	$ 371,991	$ 371,991	$ 449,291	$ 77,300
Interest income	4,500	4,500	2,872	(1,628)
Total revenues	376,491	376,491	452,163	75,672
Expenditures				
Current				
Public safety	219,199	219,267	191,765	27,502
Capital outlay	81,000	80,932	80,932	-
Total expenditures	300,199	300,199	272,697	27,502
Net Change in Fund Balance	76,292	76,292	179,466	103,174
Fund Balance - October 1 (Beginning)	592,573	592,573	592,573	-
Fund Balance - September 30 (Ending)	$ 668,865	$ 668,865	$ 772,039	$ 103,174

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Taxes				
Sales	$ 113,197	$ 113,197	$ 123,115	$ 9,918
Interest income	16,060	16,060	1,230	(14,830)
Total revenues	129,257	129,257	124,345	(4,912)
Expenditures				
Current				
Public works	350,774	350,774	5,204	345,570
Total expenditures	350,774	350,774	5,204	345,570
Net Change in Fund Balance	(221,517)	(221,517)	119,141	340,658
Fund Balance - October 1 (Beginning)	1,124,526	1,124,526	1,124,526	-
Fund Balance - September 30 (Ending)	$ 903,009	$ 903,009	$ 1,243,667	$ 340,658

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes				
Hotel occupancy tax	$ 75,000	$ 75,000	$ 77,878	$ 2,878
Interest income	1,500	1,500	1,178	(322)
Total revenues	76,500	76,500	79,056	2,556
Expenditures				
Current				
City administration	73,006	73,006	18,691	54,315
Capital outlay	170,000	170,000	-	170,000
Total expenditures	243,006	243,006	18,691	224,315
Net Change in Fund Balance	(166,506)	(166,506)	60,365	226,871
Fund Balance - October 1 (Beginning)	216,340	216,340	216,340	-
Fund Balance - September 30 (Ending)	$ 49,834	$ 49,834	$ 276,705	$ 226,871

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Donations	$ 5,000	$ 5,000	$ 6,844	$ 1,844
Interest income	-	-	160	160
Total revenues	5,000	5,000	7,004	2,004
Expenditures				
Current				
City administration	7,500	7,900	6,456	1,444
Total expenditures	7,500	7,900	6,456	1,444
Net Change in Fund Balance	(2,500)	(2,900)	548	3,448
Fund Balance - October 1 (Beginning)	29,185	29,185	29,185	-
Fund Balance - September 30 (Ending)	$ 26,685	$ 26,285	$ 29,733	$ 3,448

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Police fees and permits	$ 27,000	$ 27,000	$ 26,832	$ (168)
Interest income	-	-	125	125
Total revenues	27,000	27,000	26,957	(43)
Expenditures				
Current				
Public safety	26,953	26,953	25,926	1,027
Total expenditures	26,953	26,953	25,926	1,027
Net Change in Fund Balance	47	47	1,031	984
Fund Balance - October 1 (Beginning)	36,098	36,098	36,098	-
Fund Balance - September 30 (Ending)	$ 36,145	$ 36,145	$ 37,129	$ 984

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Traffic fines and forfeitures	$ 12,000	$ 12,000	$ 17,136	$ 5,136
Interest income	-	-	518	518
Total revenues	12,000	12,000	17,654	5,654
Expenditures				
Current				
Community services	9,700	9,700	1,648	8,052
Total expenditures	9,700	9,700	1,648	8,052
Net Change in Fund Balance	2,300	2,300	16,006	13,706
Fund Balance - October 1 (Beginning)	97,614	97,614	97,614	-
Fund Balance - September 30 (Ending)	$ 99,914	$ 99,914	$ 113,620	$ 13,706

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Traffic fines and forfeitures	$ 15,000	$ 15,000	$ 15,075	$ 75
Interest income	-	-	189	189
Total revenues	15,000	15,000	15,264	264
Expenditures				
Current				
Community services	7,530	7,530	-	7,530
Capital outlay	2,500	2,500	6,730	(4,230)
Total expenditures	10,030	10,030	6,730	3,300
Net Change in Fund Balance	4,970	4,970	8,534	3,564
Fund Balance - October 1 (Beginning)	34,921	34,921	34,921	-
Fund Balance - September 30 (Ending)	$ 39,891	$ 39,891	$ 43,455	$ 3,564

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Interest income	$ -	$ -	$ 70	$ 70
Miscellaneous income	26,523	26,523	8,273	(18,250)
Total revenues	26,523	26,523	8,343	(18,180)
Expenditures				
Current				
Public safety	26,523	26,523	381	26,142
Total expenditures	26,523	26,523	381	26,142
Net Change in Fund Balance	-	-	7,962	7,962
Fund Balance - October 1 (Beginning)	3,605	3,605	3,605	-
Fund Balance - September 30 (Ending)	$ 3,605	$ 3,605	$ 11,567	$ 7,962

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Donations	$ -	$ -	$ 60,193	$ 60,193
Interest income	-	-	1,662	1,662
Total revenues	-	-	61,855	61,855
Expenditures				
Current				
Community services	-	-	-	-
Total expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	61,855	61,855
Other Financing Sources (Uses)				
Transfers in	50,000	50,000	-	(50,000)
Total Other Financing Sources (Uses)	50,000	50,000	-	(50,000)
Net Change in Fund Balance	50,000	50,000	61,855	11,855
Fund Balance - October 1 (Beginning)	285,978	285,978	285,978	-
Fund Balance - September 30 (Ending)	$ 335,978	$ 335,978	$ 347,833	$ 11,855

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Parks and recreation fees	$ 10,000	$ 10,000	$ 7,425	$ (2,575)
Interest income	-	-	97	97
Total revenues	10,000	10,000	7,522	(2,478)
Expenditures				
Current				
Community services	-	19,188	19,020	168
Capital outlay	19,188	-	-	-
Total expenditures	19,188	19,188	19,020	168
Net Change in Fund Balance	(9,188)	(9,188)	(11,498)	(2,310)
Fund Balance - October 1 (Beginning)	20,923	20,923	20,923	-
Fund Balance - September 30 (Ending)	$ 11,735	$ 11,735	$ 9,425	$ (2,310)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Parks & recreation fees	$ -	$ -	$ 139,858	$ 139,858
Interest income	-	-	1,509	1,509
Total revenues	-	-	141,367	141,367
Expenditures				
Current				
Community services	50,000	50,000	40,866	9,134
Total expenditures	50,000	50,000	40,866	9,134
Net Change in Fund Balance	(50,000)	(50,000)	100,501	150,501
Fund Balance - October 1 (Beginning)	300,804	300,804	300,804	-
Fund Balance - September 30 (Ending)	$ 250,804	$ 250,804	$ 401,305	$ 150,501

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Escrow and impact fees	$ -	$ -	$ 211,992	$ 211,992
Interest income	-	-	3,269	3,269
Total revenues	-	-	215,261	215,261
Expenditures				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	215,261	215,261
Other Financing Sources (Uses)				
Transfers out	(500,000)	(500,000)	(500,000)	-
Total Other Financing Sources (Uses)	(500,000)	(500,000)	(500,000)	-
Net Change in Fund Balance	(500,000)	(500,000)	(284,739)	215,261
Fund Balance - October 1 (Beginning)	391,729	391,729	391,729	-
Fund Balance - September 30 (Ending)	$ (108,271)	$ (108,271)	$ 106,990	$ 215,261

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Taxes				
Sales	$ 230,244	$ 230,244	$ 214,532	$ (15,712)
Interest income	-	-	100	100
Total revenues	230,244	230,244	214,632	(15,612)
Expenditures				
Current				
Public safety	-	-	2,745	(2,745)
Capital outlay	88,244	88,244	30,966	57,278
Total expenditures	88,244	88,244	33,711	54,533
Excess (Deficiency) of Revenues over Expenditures	142,000	142,000	180,921	38,921
Other Financing Sources (Uses)				
Transfers out	(142,000)	(142,000)	-	142,000
Total Other Financing Sources (Uses)	(142,000)	(142,000)	-	142,000
Net Change in Fund Balance	-	-	180,921	180,921
Fund Balance - October 1 (Beginning)	-	-	-	-
Fund Balance - September 30 (Ending)	$ -	$ -	$ 180,921	$ 180,921

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Taxes				
Franchise	$ 97,500	$ 97,500	$ 110,049	$ 12,549
Interest income	-	-	475	475
Total revenues	97,500	97,500	110,524	13,024
Expenditures				
Capital outlay	150,000	150,000	148,493	1,507
Total expenditures	150,000	150,000	148,493	1,507
Excess (Deficiency) of Revenues over Expenditures	(52,500)	(52,500)	(37,969)	14,531
Other Financing Sources (Uses)				
Transfers in	52,500	52,500	52,500	-
Total Other Financing Sources (Uses)	52,500	52,500	52,500	-
Net Change in Fund Balance	-	-	14,531	14,531
Fund Balance - October 1 (Beginning)	-	-	-	-
Fund Balance - September 30 (Ending)	$ -	$ -	$ 14,531	$ 14,531

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Taxes				
Property	$ 54,786	$ 54,786	$ 54,786	$ -
Interest income	-	-	215	215
Total revenues	54,786	54,786	55,001	215
Expenditures				
Current				
City administration	-	-	-	-
Total expenditures	-	-	-	-
Net Change in Fund Balance	54,786	54,786	55,001	215
Fund Balance -				
October 1 (Beginning)	-	-	-	-
Fund Balance -				
September 30 (Ending)	$ 54,786	$ 54,786	$ 55,001	$ 215

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Taxes				
Property	$ 3,433,363	$ 3,433,363	$ 3,372,815	$ (60,548)
Interest Income	-	-	6,662	6,662
Total revenues	3,433,363	3,433,363	3,379,477	(53,886)
Expenditures				
Debt Service:				
Principal	1,835,755	1,837,878	1,600,440	237,438
Interest	1,587,610	1,585,487	1,542,812	42,675
Bond fees	10,000	10,000	1,302	8,698
Total expenditures	3,433,365	3,433,365	3,144,554	288,811
Excess (Deficiency) of Revenues over Expenditures	(2)	(2)	234,923	234,925
Other Financing Sources (Uses)				
Transfers out	-	-	(64,337)	(64,337)
Transfers in	-	-	6,731	6,731
Total Other Financing Sources (Uses)	-	-	(57,606)	(57,606)
Net Change in Fund Balance	(2)	(2)	177,317	177,319
Fund Balance - October 1 (Beginning)	368,852	368,852	368,852	-
Fund Balance - September 30 (Ending)	$ 368,850	$ 368,850	$ 546,169	$ 177,319

	Governmental Capital Projects	Vehicle Replacement	LCFD Vehicle and Equipment Replacement	Tech Equipment Replacement
Assets				
Cash and cash equivalents	$ 1,004,466	$ 263,057	$ 523,383	$ 298,464
Investments	1,004,793	-	-	-
Receivables (net of allowance)				
Interest	-	-	-	-
Total assets	$ 2,009,259	$ 263,057	$ 523,383	$ 298,464
Liabilities				
Accounts payable	$ 44,924	$ -	$ -	$ -
Total liabilities	44,924	-	-	-
Fund Balances				
Restricted	-	-	-	-
Committed	1,964,335	263,057	523,383	298,464
Total fund balances	1,964,335	263,057	523,383	298,464
Total Liabilities and Fund Balances	$ 2,009,259	$ 263,057	$ 523,383	$ 298,464

Street Escrow	2016 CO Fund	2017 CO Fund	LCFD Public Property
$ 158,860	$ 350,677	$ 312,927	$ 316,236
-	299,519	-	-
-	27	-	-
$ 158,860	$ 650,223	$ 312,927	$ 316,236
$ -	$ 5,854	$ 16,697	$ -
-	5,854	16,697	-
-	644,369	296,230	-
158,860	-	-	316,236
158,860	644,369	296,230	316,236
$ 158,860	$ 650,223	$ 312,927	$ 316,236

(continued on the following page)

	General Public Property for Special Revenue	Total Nonmajor Capital Projects Funds
Assets		
Cash and cash equivalents	$ -	$ 3,228,070
Investments	-	1,304,312
Receivables (net of allowance)		
Interest	-	27
Total assets	$ -	$ 4,532,409
Liabilities		
Accounts payable	$ -	$ 67,475
Total liabilities	-	67,475
Fund Balances		
Restricted	-	940,599
Committed	-	3,524,335
Total fund balances	-	4,464,934
Total Liabilities and Fund Balances	$ -	$ 4,532,409

(concluded)

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	Governmental Capital Projects	Vehicle Replacement	LCFD Vehicle and Equipment Replacement	Tech Equipment Replacement
Revenues				
Donations	$ 30,000	$ -	$ -	$ 802
Interest income	8,265	999	2,530	1,512
Miscellaneous	-	-	-	-
Total revenues	38,265	999	2,530	2,314
Expenditures				
Current				
Public safety	3,650	-	-	-
Public works	79,413	-	-	-
Planning and community development	84,858	-	-	-
City administration	35,014	-	-	76,814
Debt service				
Principal	-	-	239,718	-
Interest	-	-	40,458	-
Capital outlay	745,171	9,180	15,588	46,541
Total expenditures	948,106	9,180	295,764	123,355
Excess (Deficiency) of Revenues over (under) Expenditures	(909,841)	(8,181)	(293,234)	(121,041)
Other Financing Sources (Uses)				
Issuance of capital leases	-	-	-	-
Proceeds from sale of capital assets	-	138,988	56,870	10,353
Transfers in	674,684	-	325,000	130,899
Total Other Financing Sources (Uses)	674,684	138,988	381,870	141,252
Net Change in Fund Balance	(235,157)	130,807	88,636	20,211
Fund Balance - October 1 (Beginning)	2,199,492	132,250	434,747	278,253
Fund Balance - September 30 (Ending)	$ 1,964,335	$ 263,057	$ 523,383	$ 298,464

Street Escrow	2016 CO Fund	2017 CO Fund	LCFD Public Property
$ -	$ -	$ 921,420	$ -
640	3,654	1,270	986
-	28	136	-
640	3,682	922,826	986
-	53,964	81,849	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	86,943	310,199	-
-	140,907	392,048	-
640	(137,225)	530,778	986
-	-	-	308,941
-	-	-	-
-	-	-	-
-	-	-	308,941
640	(137,225)	530,778	309,927
158,220	781,594	(234,548)	6,309
$ 158,860	$ 644,369	$ 296,230	$ 316,236

(continued on the following page)

	General Public Property for Special Revenue	Total Nonmajor Capital Projects Funds
Revenues		
Donations	$ -	$ 952,222
Interest income	-	19,856
Miscellaneous	-	164
Total revenues	-	972,242
Expenditures		
Current		
Public safety	-	139,463
Public works	-	79,413
Planning and community development	-	84,858
City administration	-	111,828
Debt service		
Principal	-	239,718
Interest	-	40,458
Capital outlay	224,179	1,437,801
Total expenditures	224,179	2,133,539
Excess (Deficiency) of Revenues over (under) Expenditures	(224,179)	(1,161,297)
Other Financing Sources (Uses)		
Capital lease proceeds	224,179	533,120
Proceeds from sale of capital assets	-	206,211
Transfers in	-	1,130,583
Total Other Financing Sources (Uses)	224,179	1,869,914
Net Change in Fund Balance	-	708,617
Fund Balance - October 1 (Beginning)	-	3,756,317
Fund Balance - September 30 (Ending)	$ -	$ 4,464,934

(concluded)

	Corinth Economic Development Corporation	Corinth Economic Development Foundation
Assets		
Cash and cash equivalents	$ 264,318	$ 397,501
Investments	451,689	-
Receivables (net of allowance)		
Sales taxes	181,134	-
Interest	-	-
Prepaid items	2,000	-
Total assets	$ 899,141	$ 397,501
Liabilities		
Accounts payable	2,423	-
Accrued liabilities	13,209	-
Total liabilities	15,632	-
Fund Balances		
Restricted for economic development	883,509	397,501
Total fund balances	883,509	397,501
Total liabilities and fund balances	$ 899,141	$ 397,501

	Corinth Economic Development Corporation	Corinth Economic Development Foundation
Total Fund Balances - Component Units (CU)	$ 883,509	$ 397,501
Amounts reported for CU in the statement of net position are different because:		
Capital assets used in CU are not current financial resources and therefore are not reported in the balance sheet.	4,313,348	2,056,382
Included in liabilities is the recognition of the CU's net pension liability in the amount of $56,454, a deferred inflow of resources of $16,709 and a deferred outflow of resources of $17,390. This results in a decrease in net position.	(55,773)	-
Included in liabilities is the recognition of the CU's total OPEB liability in the amount of $5,494, a deferred inflow of resources of $697, and a deferred outflow of resources of $1,617. This results in a decrease in net position.	(4,574)	-
Net Position of Component Units	$ 5,136,510	$ 2,453,883

	Corinth Economic Development Corporation	Corinth Economic Development Foundation
Revenues		
Taxes		
Sales	$ 978,390	$ -
Interest income	2,229	3,471
Donations	-	2,700,000
Miscellaneous income	2,468	-
Total revenues	983,087	2,703,471
Expenditures		
Current		
Planning and community development	448,912	-
Capital outlay	1,998,171	2,854,543
Total expenditures	2,447,083	2,854,543
Excess (Deficiency) of Revenues over (under) Expenditures	(1,463,996)	(151,072)
Other Financing Sources (Uses)		
Proceeds from sale of capital assets	635,300	548,573
Total other financing sources (uses)	635,300	548,573
Net Change in Fund Balance	(828,696)	397,501
Fund Balance - October 1 (Beginning)	1,712,205	-
Fund Balance - September 30 (Ending)	$ 883,509	$ 397,501

City of Corinth, Texas
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Component Units to the Statement of Activities (Exhibit C-26)
Year Ended September 30, 2021

	Corinth Economic Development Corporation	Corinth Economic Development Foundation
Net Change in Fund Balances - Component Units (CU)	$ (828,696)	$ 397,501
Amounts reported for CU in the statement of activities are different because:		
Current year capital outlays are expenditures in the fund financial statements, but they, are shown as increases in capital assets in the government-wide financial statements. This is the amount by which capital outlay ($1,998,171 and $2,854,543, respectively) exceed the net book value of disposed of assets ($639,489 and $798,161, respectively).	1,358,682	2,056,382
Certain pension expenditures that are recorded in the fund financial statements must be recorded as deferred outflows of revenues. Contributions made after the measurement date caused the change in net position to increase in the amount of $13,295. CU's share of the unrecognized deferred inflows and outflows for TMRS as of the measurement date must be amortized and CU's pension expense must be recognized. These cause the change in net position to decrease in the amount of $6,027.	7,268	-
Certain OPEB expenditures that are recorded in the fund financial statements must be recorded as deferred outflows of revenues. Contributions made after the measurement date caused the change in net position to increase in the amount of $126. CU's share of the unrecognized deferred inflows and outflows for TMRS as of the measurement date must be amortized and CU's OPEB expense must be recognized. These cause the change in net position to decrease in the amount of $703.	(577)	-
Change in Net Position of Component Units	$ 536,677	$ 2,453,883

STATISTICAL SECTION

CORINTH
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STATISTICAL SECTION

This part of the City of Corinth, Texas's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. (Tables D-1 – D-5)

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes. (Tables D-6 – D-12)

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. (Tables D-13 – D-16)

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand how the City's financial activities take place and to help make comparisons over time and with other governments. (Tables D-17 – D-19)

Operating Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs. (Tables D-20 – D-21)

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

CITY OF CORINTH, TEXAS

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(Unaudited)

Governmental Activities	**2012**	**2013**	**2014**	**2015**
Net Investment in Capital Assets	$ 38,965,723	$ 37,401,599	$ 36,991,003	$ 37,162,807
Restricted	2,614,336	3,776,495	4,078,719	1,066,371
Unrestricted	6,708,569	5,660,613	4,522,015	1,767,508
Total Governmental Activities Net Position	$ 48,288,628	$ 46,838,707	$ 45,591,737	$ 39,996,686
Business-type Activities				
Net Investment in Capital Assets	$ 21,783,319	$ 21,661,416	$ 21,552,151	$ 21,568,651
Restricted	-	-	-	645,963
Unrestricted	6,216,578	6,897,008	6,250,406	4,856,975
Total Business-Type Activities Net Position	$ 27,999,897	$ 28,558,424	$ 27,802,557	$ 27,071,589
Primary Government				
Net Investment in Capital Assets	$ 60,749,042	$ 59,063,015	$ 58,543,154	$ 58,731,458
Restricted	2,614,336	3,776,495	4,078,719	1,712,334
Unrestricted	12,925,147	12,557,621	10,772,421	6,624,483
Total Primary Government Net Position	$ 76,288,525	$ 75,397,131	$ 73,394,294	$ 67,068,275

Note:
Governmental Activities:
2012 restated for implementation of GASB 63 and GASB 65.
2015 restated for implementation of GASB 68.

Business-type Activities:
2012 restated for implementation of GASB 63 and GASB 65.
2015 restated for implementation of GASB 68.

TABLE D-1

2016	2017	2018	2019	2020	2021
$ 35,967,465	$ 35,025,019	$ 35,039,143	$ 33,452,733	$ 34,592,990	$ 33,285,776
1,759,359	2,600,794	2,830,975	3,031,918	3,314,583	4,223,592
1,817,109	3,328,479	3,038,070	3,584,935	4,478,248	3,676,730
$ 39,543,933	$ 40,954,292	$ 40,908,188	$ 40,069,586	$ 42,385,821	$ 41,186,098
$ 21,537,921	$ 21,633,740	$ 23,453,132	$ 24,556,072	$ 23,942,064	$ 23,198,149
647,502	1,127,099	1,295,181	1,162,172	792,236	1,183,413
4,285,029	5,523,850	5,059,830	5,471,344	5,572,010	7,217,532
$ 26,470,452	$ 28,284,689	$ 29,808,143	$ 31,189,588	$ 30,306,310	$ 31,599,094
$ 57,505,386	$ 56,658,759	$ 58,492,275	$ 58,008,805	$ 58,535,054	$ 56,483,925
2,406,861	3,727,893	4,126,156	4,194,090	4,106,819	5,407,005
6,102,138	8,852,329	8,097,900	9,056,279	10,050,258	10,894,262
$ 66,014,385	$ 69,238,981	$ 70,716,331	$ 71,259,174	$ 72,692,131	$ 72,785,192

CITY OF CORINTH, TEXAS
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Unaudited)

Expenses	**2012**	**2013**	**2014**	**2015**
Governmental Activities:				
Public Safety	$ 7,769,391	$ 8,188,441	$ 8,558,062	$ 8,937,222
Community Services	1,729,610	1,740,402	1,735,618	1,855,018
Public Works	4,829,902	4,726,964	4,655,417	4,661,909
Planning & Development	730,829	731,234	715,554	860,549
City Administration	1,607,926	1,631,852	1,854,669	1,873,459
Financial Services	655,335	662,238	665,351	746,482
Interest on Long-Term Debt	821,597	743,848	702,883	613,346
Total Governmental Activities Expenses	18,144,590	18,424,979	18,887,554	19,547,985
Business-Type Activities:				
Water & Wastewater	10,198,636	10,429,711	10,645,670	11,107,570
Storm Water Utility	520,098	515,487	571,624	540,217
Total Business-Type Activities Expenses	10,718,734	10,945,198	11,217,294	11,647,787
Total Primary Government Expenses	$ 28,863,324	$ 29,370,177	$ 30,104,848	$ 31,195,772
Program Revenues				
Governmental Activities:				
Charges for Services:				
Public Safety	$ 3,036,630	$ 3,316,940	$ 3,595,280	$ 3,516,328
Community Services	318,297	312,490	377,982	230,940
Public Works	72,087	25,895	111,242	209,723
Planning & Development	364,980	342,817	488,706	647,336
City Administration	-	-	94,979	92,142
Finance Services	88,599	-	-	-
Operating Grants & Contributions	101,458	144,879	284,954	299,613
Capital Grants & Contributions	944,835	551,016	-	380,748
Total Governmental Activities Program	4,926,886	4,694,037	4,953,143	5,376,830
Business-Type Activities:				
Charges for Services:				
Water & Wastewater	11,715,891	11,582,827	10,648,512	10,991,068
Storm Water Utility	655,400	667,215	680,128	692,943
Operating Grants & Contributions	-	-	-	-
Capital Grants & Contributions	581,490	192,927	176,068	607,013
Total Business-Type Activities Program	12,952,781	12,442,969	11,504,708	12,291,024
Total Primary Government Program	$ 17,879,667	$ 17,137,006	$ 16,457,851	$ 17,667,854
Net (Expense)/Revenue				
Governmental Activities	$ (13,217,704)	$ (13,730,942)	$ (13,934,411)	$ (14,171,155)
Business-Type Activities	2,234,047	1,497,771	287,414	643,237
Total Primary Government Net Expense	$ (10,983,657)	$ (12,233,171)	$ (13,646,997)	$ (13,527,918)

Note:
2012 restated for implementation of GASB 63 and GASB 65.
2015 restated for implementation of GASB 68.

TABLE D-2

2016	2017	2018	2019	2020	2021
$ 9,331,392	$ 10,464,824	$ 12,945,976	$ 13,272,969	$ 11,917,879	$ 12,059,685
1,734,299	1,533,030	1,511,542	1,445,580	1,612,246	2,062,111
4,471,115	4,534,197	1,595,297	2,915,701	4,425,877	4,076,489
1,013,413	857,360	1,034,510	1,169,750	1,229,618	1,041,345
2,032,778	1,940,255	2,128,443	2,660,731	2,592,272	5,612,646
878,384	888,324	886,880	1,026,613	1,105,611	987,844
747,838	844,665	828,591	1,201,636	1,126,076	1,886,621
20,209,219	21,062,655	20,931,239	23,692,980	24,009,579	27,726,741
12,157,058	12,098,839	12,342,091	12,540,351	13,227,342	13,184,689
525,740	517,412	560,241	664,736	678,058	665,081
12,682,798	12,616,251	12,902,332	13,205,087	13,905,400	13,849,770
$ 32,892,017	$ 33,678,906	$ 33,833,571	$ 36,898,067	$ 37,914,979	$ 41,576,511
$ 3,960,494	$ 3,934,109	$ 3,351,543	$ 4,557,446	$ 3,533,674	$ 3,991,353
206,560	210,498	234,622	353,124	102,516	261,673
59,205	156,559	207,711	554,556	203,658	211,992
540,906	1,200,712	749,678	475,134	664,502	671,772
105,401	93,302	83,042	54,317	100,472	130,063
-	-	-	-	-	-
189,114	97,506	277,286	370,016	1,528,396	713,760
332,872	1,630,239	1,266,428	810,401	1,258,616	1,437,849
5,394,552	7,322,925	6,170,310	7,174,994	7,391,834	7,418,462
11,047,722	11,332,588	13,152,059	12,250,426	12,662,764	14,020,111
703,783	727,197	719,458	727,497	737,609	731,067
-	-	-	-	-	50,935
1,448,393	2,997,195	937,813	1,320,436	1,073,307	975,552
13,199,898	15,056,980	14,809,330	14,298,359	14,473,680	15,777,665
$ 18,594,450	$ 22,379,905	$ 20,979,640	$ 21,473,353	$ 21,865,514	$ 23,196,127
$ (14,814,667)	$ (13,739,730)	$ (14,760,929)	$ (16,517,986)	$ (16,617,745)	$ (20,308,279)
517,100	2,440,729	1,906,998	1,093,272	568,280	1,927,895
$ (14,297,567)	$ (11,299,001)	$ (12,853,931)	$ (15,424,714)	$ (16,049,465)	$ (18,380,384)

CITY OF CORINTH, TEXAS

GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(Unaudited)

Net (Expense)/Revenue	**2012**	**2013**	**2014**	**2015**
Governmental Activities	$ (13,217,704)	$ (13,730,942)	$ (13,934,411)	$ (14,171,155)
Business-Type Activities	2,234,047	1,497,771	287,414	643,237
Total Primary Government Net Expense	(10,983,657)	(12,233,171)	(13,646,997)	(13,527,918)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes				
Property Taxes	8,292,788	8,501,824	8,674,195	9,291,409
Sales Taxes	1,689,889	1,728,567	1,822,924	1,889,020
Franchise Taxes	1,065,097	967,846	1,039,646	1,074,217
Hotel Occupancy Taxes	-	-	-	67,833
Vehicle Taxes	-	-	-	-
Miscellaneous	143,809	38,121	13,925	45,685
Investment Earnings	63,010	49,427	53,968	55,043
Gain (Loss) on sale of Capital Assets	-	-	-	14,712
Special Item Outflow	(134,385)	8,556	-	-
Transfers	(269,093)	986,679	1,082,783	778,956
Total Governmental Activities	10,851,115	12,281,020	12,687,441	13,216,875
Business-Type Activities:				
Miscellaneous	11,738	5,145	10,216	(391)
Investment Earnings	59,488	42,290	29,280	18,423
Gain (Loss) on sale of Capital Assets	-	-	-	5,333
Special Item Outflow	134,385	-	-	-
Transfers	269,093	(986,679)	(1,082,783)	(778,956)
Total Business-Type Activities	474,704	(939,244)	(1,043,287)	(755,591)
Total Primary Government	$ 11,325,819	$ 11,341,776	$ 11,644,154	$ 12,461,284
Change in Net Position				
Governmental Activities	(2,366,589)	(1,449,922)	(1,246,970)	(954,280)
Business-Type Activities	2,708,751	558,527	(755,873)	(112,354)
Total Primary Government	$ 342,162	$ (891,395)	$ (2,002,843)	$ (1,066,634)

Note:
2012 is restated for implementation of GASB 63 and GASB 65.
Hotel Occupancy Tax was previously reported in the Sales Tax category.
Note: This information is presented using the accrual basis of accounting.

TABLE D-3

2016	2017	2018	2019	2020	2021
$ (14,814,667)	$ (13,739,730)	$ (14,760,929)	$ (16,517,986)	$ (16,617,745)	$ (20,308,279)
517,100	2,440,729	1,906,998	1,093,272	568,280	1,927,895
(14,297,567)	(11,299,001)	(12,853,931)	(15,424,714)	(16,049,465)	(18,380,384)
9,663,535	10,629,143	10,587,532	11,514,505	12,974,859	14,134,421
2,023,059	2,253,805	2,370,316	2,463,471	2,635,407	2,743,610
1,068,910	1,073,789	1,120,653	1,083,553	1,195,130	1,048,013
79,007	77,673	61,181	82,835	71,707	77,878
-	-	-	-	-	577
237,674	204,231	251,014	(806)	10,436	23,831
87,433	228,971	57,042	455,456	335,182	104,170
43,222	3,497	94,205	-	54,204	199,726
-	-	-	-	-	-
1,159,074	678,980	498,018	80,370	1,657,055	776,330
14,361,914	15,150,089	15,039,961	15,679,384	18,933,980	19,108,556
4,741	7,600	94,664	28,674	1,269	3,038
26,328	43,692	6,748	263,798	203,839	44,066
9,768	1,196	42,141	76,071	389	94,115
-	-	-	-	-	-
(1,159,074)	(678,980)	(498,018)	(80,370)	(1,657,055)	(776,330)
(1,118,237)	(626,492)	(354,465)	288,173	(1,451,558)	(635,111)
$ 13,243,677	$ 14,523,597	$ 14,685,496	$ 15,967,557	$ 17,482,422	$ 18,473,445
(452,753)	1,410,359	279,032	(838,602)	2,316,235	(1,199,723)
(601,137)	1,814,237	1,552,533	1,381,445	(883,278)	1,292,784
$ (1,053,890)	$ 3,224,596	$ 1,831,565	$ 542,843	$ 1,432,957	$ 93,061

CITY OF CORINTH, TEXAS

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

(Unaudited)

General Fund	**2012**	**2013**	**2014**	**2015**
Non-Spendable	$ 207,875	$ 211,465	$ 222,652	$ 244,486
Unassigned	5,246,829	3,950,657	3,587,445	3,482,449
Total General Fund	$ 5,454,704	$ 4,162,122	$ 3,810,097	$ 3,726,935
All Other Governmental Funds				
Restricted	$ 2,304,546	$ 2,199,692	$ 1,143,608	$ 1,155,506
Committed	1,885,185	3,286,748	4,067,270	2,946,280
Unassigned	(351,404)	(441,149)	(579,436)	(480,444)
Total all other Governmental Funds	$ 3,838,327	$ 5,045,291	$ 4,631,442	$ 3,621,342

TABLE D-4

	2016	2017	2018	2019	2020	2021
$	439,146	$ 195,750	$ 251,776	$ 155,611	$ 143,205	$ 24,854
	3,295,962	5,243,056	5,184,229	4,929,660	6,278,671	4,333,241
$	3,735,108	$ 5,438,806	$ 5,436,005	$ 5,085,271	$ 6,421,876	$ 4,358,095
$	13,370,197	$ 14,479,349	$ 5,873,511	$ 16,539,952	$ 19,529,962	$ 31,322,723
	2,623,387	2,703,352	3,156,896	3,485,998	3,570,833	3,897,165
	(442,236)	(298,848)	(389,299)	-	(234,548)	-
$	15,551,348	$ 16,883,853	$ 8,641,108	$ 20,025,950	$ 22,866,247	$ 35,219,888

CITY OF CORINTH, TEXAS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(Unaudited)

Revenues	**2011**	**2013**	**2014**	**2015**
Taxes	$ 10,911,621	$ 11,210,497	$ 11,538,485	$ 12,329,258
Licenses, Fees and Permits	1,091,761	285,165	903,407	1,050,172
Fines & Penalties	634,141	974,231	723,174	682,284
Charges for Services	2,547,590	2,534,668	2,826,329	3,132,880
Investment Earnings	98,470	49,427	53,967	55,043
Donations	1,012,607	571,827	89,514	96,633
Other Revenues	160,522	190,849	82,083	123,070
Total Revenues	16,456,712	15,816,664	16,216,959	17,469,340
Expenditures				
Public Safety	8,073,621	8,393,476	9,422,471	9,167,774
Community Services	1,752,265	2,113,911	2,405,814	1,765,661
Public Works	1,640,574	878,847	1,483,829	2,600,403
Planning & Development	699,586	727,249	718,253	871,281
City Administration	1,454,431	1,591,760	1,636,334	1,766,937
Finance Services	614,157	655,646	652,321	732,037
Capital Outlay	5,122,041	27,648	-	-
Debt Service				
Principal	1,456,375	1,743,686	1,892,482	1,836,489
Interest	847,405	756,738	694,004	627,358
Bond Issuance Costs	-	-	-	-
Total Expenditures	21,660,455	16,888,961	18,905,508	19,367,940
Other Financing Sources (Uses)				
Bonds Issued	-	-	-	-
Payments to Escrow Agent	-	-	-	-
Bond Premium/Discount	-	-	-	-
Capital Lease	-	-	-	-
Sale of Capital Assets	-	-	839,890	26,382
Transfers In/Out	2,734,363	986,679	1,082,783	778,956
Total Other Financing Sources (Uses)	2,734,363	986,679	1,922,673	805,338
Net Change in Fund Balances	$ (2,469,380)	$ (85,618)	$ (765,876)	$ (1,093,262)
Debt service as a percentage of noncapital expenditures	15.51%	18.23%	16.04%	15.03%

The Debt Service ratio to noncapital expenditures is calculated by dividing debt service expenditures (principal, interest, and bond issuance cost) by noncapital expenditures (Exhibit A-6).

TABLE D-5

	2016	2017	2018	2019	2020	2021
$	12,807,008	$ 14,034,768	$ 14,100,926	$ 15,198,411	$ 16,817,677	$ 17,920,034
	797,332	1,557,520	1,170,581	1,366,719	957,010	809,723
	712,852	619,747	758,997	1,240,152	1,194,517	1,652,731
	3,159,963	3,063,911	3,325,163	2,709,304	2,679,874	2,677,496
	87,433	204,231	251,014	455,456	335,182	104,170
	186,220	94,185	1,542,462	556,586	1,095,664	1,026,011
	292,949	324,855	352,973	410,223	1,479,848	687,888
	18,043,757	19,899,217	21,502,116	21,936,851	24,559,772	24,878,053
	9,702,983	9,234,496	10,620,034	10,441,255	10,668,378	11,369,753
	1,507,526	1,353,153	1,428,385	1,447,632	1,457,005	1,707,219
	1,721,981	1,086,857	886,891	1,151,389	1,356,060	902,612
	981,151	874,835	1,040,104	1,129,699	1,205,791	1,056,555
	2,173,809	1,777,956	2,114,840	2,526,410	2,391,519	5,405,038
	862,114	862,354	893,640	1,014,807	1,108,038	1,023,014
	3,727,303	4,958,837	7,965,300	2,649,662	4,394,655	6,686,444
	1,806,587	1,542,615	1,375,785	1,769,461	2,044,146	1,840,158
	784,585	1,109,103	1,064,269	981,456	1,474,914	1,583,270
	-	232,870	10,440	164,276	1,314	360,010
	23,268,039	23,033,076	27,399,688	23,276,047	26,101,820	31,934,073
	17,116,713	13,017,245	-	10,754,800	-	14,000,000
	(1,179,213)	(7,542,236)	-	-	-	-
	-	-	-	608,543	-	1,048,911
	-	-	-	800,928	267,714	533,120
	65,887	16,073	182,498	128,663	54,204	206,211
	1,159,074	678,980	(2,373,559)	80,370	5,397,032	1,557,638
	17,162,461	6,170,062	(2,191,061)	12,373,304	5,718,950	17,345,880
$	11,938,179	$ 3,036,203	$ (8,088,633)	$ 11,034,108	$ 4,176,902	$ 10,289,860
	15.45%	17.73%	13.27%	14.41%	16.29%	15.02%

CITY OF CORINTH, TEXAS **TABLE D-6**

TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

Fiscal Year	Property Tax	Sales, Hotel & Vehicle Tax	Franchise Tax	Total
2012	8,293,447	1,689,889	1,065,097	11,048,433
2013	8,514,084	1,728,567	967,846	11,210,497
2014	8,675,915	1,822,924	1,039,646	11,538,485
2015	9,298,188	1,956,853	1,074,217	12,329,258
2016	9,636,032	2,102,066	1,068,910	12,807,008
2017	10,629,501	2,331,478	1,073,789	14,034,768
2018	10,548,776	2,431,497	1,120,653	14,100,926
2019	11,568,552	2,546,306	1,083,553	15,198,411
2020	12,957,698	2,707,114	1,152,865	16,817,677
2021	14,047,742	2,822,065	1,050,227	17,920,034
Percent Change 2012-2021	69.38%	67.00%	-1.40%	62.20%

CITY OF CORINTH, TEXAS **TABLE D-7**

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

Fiscal Year	Residential Property	Commercial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Taxable Assessed Value as a Percent of Actual Taxable Value
2012	1,211,861,253	268,045,937	88,120,582	1,391,786,608	0.59135	1,391,786,608	100.00%
2013	1,201,904,159	283,761,674	88,447,340	1,397,218,493	0.60489	1,397,218,493	100.00%
2014	1,221,191,136	295,352,467	85,760,821	1,430,782,782	0.60489	1,430,782,782	100.00%
2015	1,267,097,852	326,129,542	59,168,386	1,534,059,008	0.59489	1,652,395,780	92.84%
2016	1,348,410,542	385,457,523	95,347,173	1,638,520,892	0.58489	1,770,835,524	92.53%
2017	1,479,545,576	425,594,137	105,756,559	1,799,383,154	0.58193	1,969,484,281	91.36%
2018	1,610,439,701	484,323,152	142,108,059	1,952,654,794	0.53686	2,143,695,625	91.09%
2019	1,771,534,525	537,621,735	149,874,977	2,159,281,283	0.53000	2,348,254,444	91.95%
2020	1,899,769,993	605,143,541	158,782,796	2,346,130,738	0.54500	2,592,331,676	90.50%
2021	2,141,070,040	587,392,141	202,150,348	2,526,311,833	0.57817	2,894,333,831	87.28%

Source: Denton Central Appraisal District.

CITY OF CORINTH, TEXAS **TABLE D-8**

DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN FISCAL YEARS

	City Property Tax Rate			Overlapping Rates			
Fiscal Year	O & M Tax Rate	General Obligation Debt Service	Total Tax Rate	Denton ISD	Lake Dallas ISD	Corinth Municipal Utility District	Denton County
2012	0.44789	0.14346	0.59135	1.53000	1.67000	-	0.27740
2013	0.46143	0.14346	0.60489	1.53000	1.67000	-	0.28290
2014	0.46143	0.14346	0.60489	1.53000	1.67000	-	0.28490
2015	0.45143	0.14346	0.59489	1.54000	1.67000	-	0.27220
2016	0.44143	0.14346	0.58489	1.54000	1.67000	-	0.26200
2017	0.44298	0.13895	0.58193	1.54000	1.67000	-	0.24841
2018	0.42791	0.10895	0.53686	1.54000	1.67000	-	0.23780
2019	0.42711	0.10289	0.53000	1.54000	1.67000	-	0.22560
2020	0.43211	0.11289	0.54500	1.47000	1.56830	-	0.22528
2021	0.43923	0.13894	0.57817	2.40760	1.55030	-	0.22499

Source: Denton County Appraisal District

CITY OF CORINTH, TEXAS **TABLE D-9**

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

	2021			2012		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percent of Total City Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percent of Total City Taxable Assessed Value**
Oxford 2181 Inc	37,000,000	1	1.46%			
Boulevard 2010 LLC	27,800,001	2	1.10%			
Millennium Place LP	26,961,860	3	1.07%			
Denton County Electric Coop	24,366,447	4	0.96%	15,090,644	2	1.08%
Oncor Electric Delivery Co	19,173,318	5	0.76%	12,073,420	4	0.87%
Tower Ridge Corinth 1, Ltd.	13,000,000	6	0.51%	6,299,659	7	0.45%
Atmos Energy/Mid-Tex Distribution	10,636,100	7	0.42%			
Bill Utter Ford	8,764,644	8	0.35%			
Destiney Dallas LP P/S	8,454,867	9	0.33%			
Utter Properties LLC	8,415,323	10	0.33%	6,750,824	6	0.48%
S. Corinth Apts LLC, dba The Blvd				18,932,253	1	1.36%
MPT of Corinth, LP				14,999,505	3	1.08%
Corinth Healthcare Realty, LLC				8,238,755	5	0.59%
Kensington Square LP PS				4,875,840	8	0.35%
Dallas GSGS Properties, LLC				4,400,000	9	0.32%
AC SS Fund I Corinth, LLC				4,031,144	10	0.29%
Total	$ 184,572,560		7.31%	$ 95,692,044		6.87%

Source: Denton Central Appraisal District

CITY OF CORINTH, TEXAS **TABLE D-10**

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2012	8,300,538	8,207,634	98.88%	90,365	8,297,999	99.97%
2013	8,453,267	8,425,528	99.67%	25,168	8,450,696	99.97%
2014	8,663,332	8,630,897	99.63%	29,985	8,660,882	99.97%
2015	9,187,621	9,160,871	99.71%	22,960	9,183,831	99.96%
2016	9,594,646	9,568,054	99.72%	21,629	9,589,683	99.95%
2017	10,467,690	10,432,195	99.66%	29,374	10,461,569	99.94%
2018	10,503,022	10,472,993	99.71%	19,366	10,492,359	99.90%
2019	11,487,858	11,458,626	99.75%	16,647	11,475,273	99.89%
2020	12,930,801	12,883,707	99.64%	15,352	12,899,059	99.75%
2021	14,109,671	14,010,541	99.30%	-	14,010,541	99.30%

Note:
Current year original tax levy net of supplements and adjustments in current tax year.
Collections in subsequent years are net of supplements and adjustments in subsequent years.

Source: Denton County Tax Office

CITY OF CORINTH, TEXAS **TABLE D-11**

DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN FISCAL YEARS

Fiscal Year	Corinth Direct Sales Tax Rate	Corinth Street Maintenance Sales Tax	Economic Development Sec. 4(B) Sales Tax	Corinth Crime Control & Prevention Sales Tax	Fire Control, Prevention & Emergency Management Sales Tax
2012	1.00%	0.25%	0.50%	0.25%	-
2013	1.00%	0.25%	0.50%	0.25%	-
2014	1.00%	0.25%	0.50%	0.25%	-
2015	1.00%	0.25%	0.50%	0.25%	-
2016	1.00%	0.25%	0.50%	0.25%	-
2017	1.00%	0.25%	0.50%	0.25%	-
2018	1.00%	0.25%	0.50%	0.25%	-
2019	1.00%	0.25%	0.50%	0.25%	-
2020	1.00%	0.25%	0.50%	0.25%	-
2021	1.00%	0.25%	0.50%	0.25%	0.25%

Note: The City elected for the Street Maintenance Sales Tax to lapse in December 2020.
The City enacted special legislation providing to created a Fire Control, Prevention, and Emergency Management Sales Tax District under Local Government Code Chapter 344. The creation was approved by voters in November 2020. Th effective date of tax begins April 1, 2021.
Source: City of Corinth Finance department

CITY OF CORINTH, TEXAS
TAXABLE SALES BY CATEGORY
LAST TEN CALENDAR YEARS

	2012	2013	2014	2015
Construction	2,146,600	2,781,669	2,318,987	4,309,632
Manufacturing	484,720	442,231	626,667	481,999
Utilities	82,316,673	92,911,304	109,928,880	110,581,672
Wholesale Trade	2,532,277	3,100,915	3,088,654	7,617,017
Retail Trade	26,103,441	26,504,414	27,888,328	29,287,734
Services	6,865,632	6,730,599	7,243,623	7,228,816
Other	23,290,303	24,190,424	24,648,881	25,034,737
Total	143,739,646	156,661,556	175,744,020	184,541,607
Direct Sales Tax Rate	1.00%	1.00%	1.00%	1.00%

Note:
Sales tax for 2021 reports first quarter only due to reporting lag by State Comptroller's Office.

Source: Texas State Comptroller

TABLE D-12

2016	2017	2018	2019	2020	2021
4,700,702	3,994,986	2,328,556	3,216,574	488,216	870,348
753,527	614,605	1,253,393	2,049,745	610,269	94,065
104,636,898	115,420,823	125,970,925	129,198,459	120,700,668	30,215,058
7,302,049	10,649,928	8,692,469	7,471,542	3,535,223	1,525,283
30,504,049	33,210,828	34,016,051	35,051,549	33,768,594	8,443,780
7,686,622	7,466,146	8,497,374	8,194,907	6,817,064	1,488,233
25,575,315	27,498,369	34,467,334	35,920,833	43,288,661	9,891,517
181,159,162	198,855,685	215,226,102	221,103,609	209,208,695	52,528,284
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

CITY OF CORINTH, TEXAS **TABLE D-13**

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

	General Bonded Debt					Other Governmental Activities Debt
Fiscal Year	General Obligation Bonds	Certificates of Obligation/ Tax Notes	Total Tax Supported Debt	Percent of Actual Taxable Value of Property	Per Capita General Bonded Debt	Capital Leases
2012	8,004,950	9,309,385	17,314,335	1.24%	848	-
2013	6,887,875	8,682,775	15,570,650	1.11%	756	-
2014	5,738,000	8,021,998	13,759,998	0.96%	661	758,058
2015	4,611,500	7,388,904	12,000,404	0.78%	573	683,391
2016	3,458,925	20,102,388	23,561,313	1.44%	1,118	1,298,191
2017	7,809,874	18,335,001	26,144,875	1.45%	1,229	1,381,618
2018	6,663,408	15,470,001	22,133,409	1.13%	1,038	1,217,298
2019	5,458,611	26,134,070	31,592,681	1.46%	1,448	2,332,394
2020	4,424,982	31,995,399	36,420,381	1.55%	1,644	2,085,345
2021	3,829,672	46,900,428	50,730,100	2.01%	2,158	2,145,728

	Business-Type Activities						
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Total	Capital Leases	Total Primary Government	Per Capita Primary Government	Percent of Personal Income
2012	1,625,050	11,060,615	12,685,665	-	30,000,000	1,469	4.15%
2013	1,467,125	10,492,224	11,959,349	-	27,529,999	1,337	3.67%
2014	1,307,000	9,898,002	11,205,002	-	25,723,058	1,235	3.30%
2015	1,063,500	9,341,096	10,404,596	-	23,088,391	1,102	2.87%
2016	816,075	8,752,609	9,568,684	-	34,428,188	1,633	4.15%
2017	7,885,126	2,628,570	10,513,696	-	38,040,189	1,789	4.46%
2018	6,801,595	2,800,000	9,601,595	-	32,952,302	1,546	3.80%
2019	5,791,392	11,240,931	17,032,323	170,237	51,127,635	2,343	5.63%
2020	5,015,020	8,732,684	13,747,704	151,982	52,405,412	2,365	5.95%
2021	4,340,332	7,693,835	12,034,167	217,538	65,127,533	2,770	6.97%

Note: General Obligation and Certificates of Obligation balances are presented net of original issuance discounts and premiums.

Source: City of Corinth Finance department

CITY OF CORINTH, TEXAS **TABLE D-14**

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Certificate Obligation Bonds	Total General Bonded Debt	Percent of Actual Taxable Value of Property	Per Capita
2012	9,630,000	20,370,000	30,000,000	2.16%	1,469
2013	8,355,000	19,174,999	27,529,999	1.97%	1,337
2014	7,045,000	17,920,000	24,965,000	1.74%	1,199
2015	5,675,000	16,730,000	22,405,000	1.36%	1,069
2016	4,275,000	28,854,997	33,129,997	1.87%	1,572
2017	15,695,000	20,963,571	36,658,571	1.86%	1,724
2018	13,465,003	18,270,001	31,735,004	1.48%	1,489
2019	11,250,003	37,375,001	48,625,004	2.07%	2,229
2020	9,440,002	40,728,083	50,168,085	1.94%	2,264
2021	8,170,004	54,594,263	62,764,267	2.17%	2,832

Note: General Obligation and Certificates of Obligation balances are presented net of original issuance discounts and premiums.

Source: City of Corinth Finance department

CITY OF CORINTH, TEXAS

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

	2012	2013	2014	2015
Debt Limit	$ 139,178,661	$ 139,721,850	$ 143,078,278	$ 165,239,578
Total Net Debt Applicable to Limit	28,999,184	26,529,182	24,636,963	22,180,581
Legal Debt Margin	$ 110,179,477	$ 113,192,668	$ 118,441,315	$ 143,058,997
Total Net Debt Applicable to the Limit				
As a Percentage of Debt Limit	20.84%	18.99%	17.22%	13.42%

Source: City of Corinth Finance department

TABLE D-15

2016	2017	2018	2019	2020	2021
$ 163,852,059	$ 179,938,315	$ 195,265,479	$ 215,928,128	$ 234,613,074	$ 252,631,183
32,782,746	33,639,319	31,435,810	48,282,291	45,881,152	62,177,544
$ 131,069,313	$ 146,298,996	$ 163,829,669	$ 167,645,837	$ 188,731,922	$ 190,453,639
20.01%	18.69%	16.10%	22.36%	19.56%	24.61%

Assessed Value	$ 2,526,311,833
Debt Limit (10% of Assessed Value)	252,631,183
Debt Applicable to Limit:	
Total Debt Outstanding	62,764,267
Less: Amount Set Aside for	586,723
Total Net Debt applicable to Limit	62,177,544
Legal Debt Margin	$ 190,453,639

CITY OF CORINTH, TEXAS **TABLE D-16**

DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITIES DEBT

Governmental Unit	Debt Outstanding	Estimated Percent Applicable (1)	Estimated Share of Direct & Overlapping Debt
Debt Repaid With Property Taxes			
Denton Co.	$ 571,605,000	2.10%	$ 12,003,705
Denton ISD	1,316,613,717	5.78%	$ 76,100,273
Lake Dallas ISD	146,066,868	46.79%	$ 68,344,688
Subtotal, Overlapping Debt			156,448,665
City Direct Debt (2)			52,875,828
Total Direct and Overlapping Debt			$ 209,324,493
Total Direct and Overlapping Debt % of AV			8.92%
Total Direct and Overlapping Debt per Capita			$ 9,446

Source: Compiled by Hilltop Securities Inc. using data from the Municipal Advisory Council of Texas.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. The schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and business of the City of Corinth. This process recognizes that, when considering the City of Corinth's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the overlapping government's taxable value that is within the City of Corinth's boundaries and dividing it by the overlapping government's total taxable assessed value.

(2) Does not include self-supporting debt.

CITY OF CORINTH, TEXAS **TABLE D-17**

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN CALENDAR YEARS

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Population [1]	20,424	20,597	20,824	20,957	21,078	21,269	21,320	21,819	22,160	23,508
Median Household Income [2]	101,176	104,211	106,877	109,543	112,169	114,412	117,180	120,142	113,483	98,475
Per Capita Personal Income	35,388	36,450	37,411	38,372	39,357	40,144	40,683	41,616	39,723	41,865
Median Age	36	36	36	36	36	36	36	37	37.5	37.7
Education Level [3]										
School Enrollment	3,533	3,398	3,490	3,582	3,408	3,514	3,547	3,506	3,541	4,091
High school graduate or higher	96%	97%	97%	97%	97%	96%	96%	93%	92.9%	93.1%
Bachelor's degree or higher	43%	40%	42%	42%	40%	40%	40%	39%	41.7%	41.8%
Unemployment [4]	5.70%	5.30%	4.40%	4.40%	3.80%	3.10%	2.90%	3.00%	6.60%	5.60%

[1] The figure for 2019 are an estimate based on current trends.

[2] These figures are based on Catalyst Commercial and current trends.

[3] The school enrollment (Denton / Lake Dallas ISD) figures are based on numbers provided by the Texas Education Agency (TEA) for 2013-2017. The figures for 2018-2021 are estimated based on current enrollment.

[4] The unemployment figures shown above are for Denton County, as calculated by the Labor Market and Career Information (LMCI) Department of the Texas Workforce Commission.

Source: City of Corinth Economic Development

TABLE D-18

CITY OF CORINTH, TEXAS

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

	2021			2012		
	Employees	**Rank**	**Percent of Total City Employment**	**Employees**	**Rank**	**Percent of Total City Employment**
CoServ	475	1	7.71%	381	3	8.78%
North Central Texas College [(1)]	275	2	4.46%	382	2	8.81%
Lake Dallas ISD [(1)]	225	3	3.65%	583	1	13.44%
Denton ISD [(1)]	190	4	3.08%			
City of Corinth	178	5	2.89%	156	5	3.60%
Denton Area Teachers Credit Union	130	6	2.11%			
Albertsons	113	7	1.83%	115	6	2.65%
Huffines Kia and Subaru	100	8	1.62%			
Oakmont Country Club	90	9	1.46%			
Bill Utter Ford	84	10	1.36%	114	7	2.63%
Atrium Hospital				233	4	5.37%
Ashton Gardens				40	8	0.92%
Harley Davidson				37	9	0.85%
Total	1,860		30.17%	2,041		47.05%

[(1)] These figures reflect the total number or employees at the school district facilities in Corinth.

Source: City of Corinth Economic Development

CITY OF CORINTH, TEXAS **TABLE D-19**

FULL-TIME-EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
City Administration	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00
Legal	1.00	-	-	-	-	-	-	-	-	-
Police	28.00	31.00	32.00	33.00	34.00	35.00	35.00	37.00	39.00	39.00
Animal Control	1.50	1.50	1.50	1.50	1.50	2.00	2.00	-	-	-
Lake Cities Fire Department	40.00	40.00	41.00	41.00	41.00	44.00	53.00	53.00	53.00	53.00
Streets	7.00	7.00	7.00	6.00	7.00	7.00	7.00	7.00	7.00	7.00
Fleet Maintenance	2.00	2.00	2.00	2.00	2.00	-	-	-	-	-
Community Development	5.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00
Planning	3.00	4.00	5.00	5.00	5.00	5.00	6.00	6.00	6.00	5.00
Municipal Court	4.00	5.00	5.00	5.00	4.00	4.00	4.00	4.00	5.00	4.00
City Marshal	-	-	-	-	-	-	-	-	-	1.00
Parks & Recreation	17.50	17.50	16.00	16.00	14.00	9.00	11.00	11.00	11.00	9.00
Finance	6.50	6.50	7.50	7.50	7.50	7.50	6.50	6.50	7.00	6.50
Human Resources	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00
Information Services	3.00	3.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00
Communications	-	-	-	-	-	-	-	-	-	2.00
Water/Wastewater Fund										
Water/Wastewater	21.00	21.00	21.00	22.00	22.00	19.00	19.00	19.00	19.00	18.00
Engineering	-	-	-	-	-	4.00	4.00	4.00	4.00	4.50
Utility Billing	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00
Storm Drainage Fund	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Corinth Economic Development Corp.	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Crime Control District Fund	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Child Safety Program Fund	0.34	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Hotel Motel Fund	-	-	-	-	-	-	-	-	0.50	0.50
Court Security Fund	-	-	-	0.50	0.50	-	-	-	-	-
Total	156.84	159.00	162.50	163.00	163.00	162.00	174.00	174.00	178.00	178.00

Source: City of Corinth Adopted Budget.

CITY OF CORINTH, TEXAS **TABLE D-20**

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
New Single Family Home Building Permits	18	18	23	47	53	63	75	39	49	68
New Commercial Building Permits	2	-	4	5	7	13	4	9	2	4
Police										
Physical Arrests	349	316	304	329	426	513	458	290	427	366
Parking Violations	14	3	7	22	-	-	-	-	-	-
Traffic Violations	5,787	7,021	7,436	7,196	6,013	6,573	7,158	5,848	4,526	4,224
Fire										
Emergency Responses	2,655	2,889	3,164	3,372	3,475	3,237	3,246	3,546	3,467	4,060
Structure Fires Extinguished	49	36	21	18	37	26	34	43	46	29
Inspections	180	621	434	204	403	403	490	641	655	355
Other Public Works										
Street Resurfacing (miles)	1.5	<1	<1	<1	<1	<1	<1	<1	<1	<1
Potholes Repaired	2,948	120	77	244	126	96	226	200	96	139
Parks and Recreation										
Classes offered (hours)	273	286	437	310	72	68	60	72	32	72
Participants	1,936	2,225	3,822	6,609	320	224	208	315	120	80
Special events (hours)	1,054	2,381	3,432	2,699	3,530	3,378	3,773	3,197	107	24
Class Participants	8,312	4,714	5,185	2,394	3,375	3,209	3,315	3,040	122	60
Association Participants	25,236	20,327	18,806	29,792	26,766	21,012	-	-	-	-
Athletic League Participants	67,056	32,022	22,944	7,936	-	-	-	-	-	-
Recreation center Participants	7,610	8,088	4,862	2,510	-	-	-	-	-	-
Water										
New Connections	18	19	26	56	44	105	125	65	67	70
Water Main Breaks	3	13	9	8	6	5	7	5	6	10
Average Daily Consumption (millions of gallons billed)	4.24	3.66	3.16	3.54	2.56	2.51	2.69	2.23	2.61	2.71
Peak Demand (millions of gallons pumped)	7.32	6.08	6.01	6.71	6.84	5.79	7.81	5.99	6.76	8.79
Wastewater										
New Connections	18	19	23	51	35	92	116	57	59	65
Average Daily Sewage Treatment (MGD)										
Upper Trinity Regional Water District	1.10	1.08	1.06	1.19	1.40	1.24	1.27	1.35	1.45	1.36
City of Denton (estimate)	1.78	0.25	0.29	0.20	0.25	0.78	0.26	0.25	0.33	0.29

Note:
In prior years class participants included volunteers and hours, in FY2012 the methodology was revised to only count the actual participants.

In FY2012 the City started managing the baseball programs so athletic participation was added to be able to track City program participation. In 2014-15 the City turned over the baseball program to the Softball Association.

The City of Denton bills the City of Corinth based on one sewage flow meter and two areas based on connection count; flows are based on estimates.

Source: Various City of Corinth departments.

CITY OF CORINTH, TEXAS **TABLE D-21**

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	18	18	18	18	18	18	18	18	16	16
Fire Stations	2	2	2	2	2	2	3	3	3	3
Other Public Works										
Streets (miles) [1]	88.99	88.99	88.99	88.99	88.99	92.37	92.43	92.66	93.20	93.70
Highways (miles) [2]	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29	6.29
Traffic Signals	7	8	8	8	8	8	8	8	8	8
Parks and Recreation										
Acreage	184	184	184	184	184	184	184	184	184	184
Playgrounds	11	11	11	11	11	11	11	11	11	14
Baseball/Softball Fields	8	8	9	9	9	9	9	9	9	9
Soccer/Football Fields	6	8	8	8	8	8	8	8	9	8
Recreation Centers [4]	2	2	2	2	1	1	-	-	-	-
Trails (miles)	12.74	12.74	12.74	12.74	12.74	12.74	12.74	12.74	12.74	12.74
Water										
Connections	6,809	6,810	6,831	6,977	7,016	7,113	7,203	7,279	7,337	7,404
Water Mains (miles)	110.40	110.63	111.77	112.70	113.48	115.17	117.70	120.20	120.64	120.97
Fire Hydrants	810	822	826	836	855	883	896	927	939	961
Storage Capacity (millions of gallons)	6.00	6.00	6.00	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Subscribed Capacity, UTRWD (MGD)	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Wastewater										
Connections	6,537	6,536	6,573	6,705	6,736	6,818	6,903	6,979	7,098	7,163
Sanitary Sewers (miles)	97.88	98.33	98.09	98.30	98.99	102.19	102.34	103.17	103.77	105.10
Storm Sewers (miles)	38.37	38.73	38.71	39.80	40.59	41.49	41.66	42.70	43.30	44.65
Treatment Capacity, UTRWD (MGD) [3]	4.82	4.82	4.82	4.82	4.82	4.82	4.82	4.82	4.82	4.83

Note:
[1] The reduction in streets is due to the elimination of unpaved streets from the database.
[2] The increase in highways is due to the addition of the northbound and southbound roadways.
[3] The City of Denton bills the City of Corinth based on one sewage flow meter and two areas based on connection count; UTRWD uses a take-or-pay system of billing in which the member city (Corinth) purchases peak capacity. UTRWD data is corrected per original contracts.
[4] The decrease is due to no longer using the Crownover Middle School Building for recreation activities.

Source: Various City of Corinth departments.

CORINTH
TEXAS